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4

*As Engrossed: H3/28/13*

# A Bill

SENATE BILL 575

5 By: Senator L. Chesterfield  
6 *By: Representative H. Wilkins*  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS PROVISIONS OF THE DEPARTMENT  
10 OF WORKFORCE SERVICES LAW; TO DECLARE AN EMERGENCY;  
11 AND FOR OTHER PURPOSES.  
12  
13

### Subtitle

15 TO AMEND VARIOUS PROVISIONS OF THE  
16 DEPARTMENT OF WORKFORCE SERVICES LAW; AND  
17 TO DECLARE AN EMERGENCY.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code § 11-10-514 is amended to read as follows:  
23 11-10-514. Disqualification – Discharge for misconduct.

24 (a)(1) If so found by the Director of the Department of Workforce  
25 Services, an individual shall be disqualified for benefits if he or she is  
26 discharged from his or her last work for misconduct in connection with the  
27 work.

28 (2)~~(A)~~ In ~~all~~ cases of discharge for absenteeism, the individual  
29 ~~will~~ shall be disqualified for misconduct in connection with the work if the  
30 discharge was pursuant to the terms of a bona fide written attendance policy  
31 with progressive warnings, regardless of whether the policy is a fault or no-  
32 fault policy.

33 (3) Misconduct in connection with the work includes the  
34 violation of any behavioral policies of the employer as distinguished from  
35 deficiencies in meeting production standards or accomplishing job duties.

36 (4)(A) Misconduct in connection with the work shall not be found



1 for instances of poor performance unless the employer can prove that the poor  
2 performance was intentional.

3 (B) An individual's repeated act of commission, omission,  
4 or negligence despite progressive discipline constitutes sufficient proof of  
5 intentional poor performance.

6 (5) An individual who refuses an alternate suitable job rather  
7 than being terminated for poor performance shall be considered discharged for  
8 misconduct in connection with the work.

9 ~~(B)(b)~~ The disqualification under ~~subdivision (a)(2)(A)~~ subsection (a)  
10 of this section shall continue until, subsequent to filing a claim, the  
11 individual has had at least thirty (30) days of employment covered by an  
12 unemployment compensation law of this state, another state, or the United  
13 States.

14 ~~(3)(A) Except as otherwise provided in this section, an~~  
15 ~~individual's disqualification for misconduct shall be for eight (8) weeks of~~  
16 ~~unemployment as defined in § 11-10-512.~~

17 ~~(B) However, for a discharge that occurs on or after July~~  
18 ~~1, 2009, through June 30, 2013, the disqualification under subdivision~~  
19 ~~(a)(3)(A) of this section shall continue until, subsequent to filing a claim,~~  
20 ~~he or she has had at least thirty (30) days of employment covered by an~~  
21 ~~unemployment compensation law of this state, another state, or the United~~  
22 ~~States.~~

23 ~~(C) Misconduct includes violation of any behavioral~~  
24 ~~policies of the employer as distinguished from deficiencies in meeting~~  
25 ~~production standards or accomplishing job duties.~~

26 ~~(b)(1)(c)(1)~~ If ~~he or she~~ an individual is discharged from his or her  
27 last work for misconduct in connection with the work on account of  
28 dishonesty, drinking on the job, reporting for work while under the influence  
29 of intoxicants, including a controlled substance, or willful violation of  
30 bona fide rules or customs of the employer pertaining to his or her safety or  
31 the safety of fellow employees, persons, or company property, he or she shall  
32 be disqualified until, subsequent to the date of the disqualification, the  
33 ~~claimant~~ individual has been paid wages in two (2) quarters for insured work  
34 totaling not less than thirty-five (35) times his or her weekly benefit  
35 amount.

36 (2)(A) If an individual is discharged for testing positive for

1 an illegal drug pursuant to a United States Department of Transportation-  
2 qualified drug screen conducted in accordance with the employer's bona fide  
3 written drug policy, the individual is disqualified:

4 (i) Until, subsequent to the date of the  
5 disqualification, the claimant has been paid wages in two (2) quarters for  
6 insured work totaling not less than thirty-five (35) times his or her weekly  
7 benefit amount; and

8 (ii) Until he or she passes a United States  
9 Department of Transportation-qualified drug screen by testing negative for  
10 illegal drugs.

11 (B) If an individual is disqualified under subdivision  
12 ~~(b)(2)(A)(c)(2)(A)~~ of this section, ~~no~~ a benefit paid to the individual with  
13 respect to any week of unemployment after the discharge shall not be charged  
14 to the account of the employer that discharged the individual if the benefit  
15 is based upon wages paid to the individual for employment before the  
16 discharge by the employer that discharged the individual.

17 ~~(e)(1)(d)(1)~~ If so found by the director, an individual shall be  
18 disqualified for benefits if he or she is suspended from his or her last work  
19 for misconduct in connection with the work.

20 (2) Except as otherwise provided, the disqualification shall be  
21 for the duration of the suspension or eight (8) weeks, whichever is the  
22 lesser.

23 ~~(d)(1) An individual shall not be deemed guilty of misconduct for poor~~  
24 ~~performance in his or her job duties unless the employer can prove that the~~  
25 ~~poor performance was intentional.~~

26 ~~(2) An individual's repeated act of commission or omission or~~  
27 ~~negligence despite progressive discipline shall constitute sufficient proof~~  
28 ~~of intentional poor performance.~~

29 ~~(3) An individual who refuses an alternate suitable job rather~~  
30 ~~than being terminated for poor performance shall be disqualified until,~~  
31 ~~subsequent to filing a claim, he or she has had at least thirty (30) days of~~  
32 ~~employment covered by an unemployment compensation law of this state, another~~  
33 ~~state, or the United States.~~

34  
35 SECTION 2. Arkansas Code § 11-10-529(b)(2)(A), concerning petitions  
36 for review by the Director of the Department of Workforce Services, is

1 amended to read as follows:

2 (2)(A) Upon the filing of a petition for review by the director  
3 or upon the service of the petition on him or her, the director shall  
4 forthwith send by ~~certified~~ mail to each of the parties to the proceeding a  
5 copy of the petition.

6

7 SECTION 3. Arkansas Code § 11-10-532 is amended to read as follows:  
8 11-10-532. Claims – Recovery.

9 (a)(1) If the Director of the Department of Workforce Services finds  
10 that ~~any~~ a person knowingly has made a false statement or misrepresentation  
11 of a material fact ~~knowing it to be false~~ or ~~has~~ knowingly has failed to  
12 disclose a material fact and as a result of either action has received ~~any~~  
13 ~~amount~~ as benefits under this chapter to which ~~the person~~ he or she was not  
14 entitled, then ~~the person shall be~~ he or she is liable to repay the amount to  
15 the Unemployment Compensation Fund, or ~~in lieu of requiring the repayment,~~  
16 the director may recover the amount of the overpayment by deductions from any  
17 future benefits payable to the person under this chapter.

18 (2) Once the overpayment becomes final pursuant to § 11-10-527,  
19 the amount owed shall accrue interest at the rate of ten percent (10%) per  
20 annum beginning thirty (30) days after the date of the first billing  
21 statement.

22 (3) ~~Beginning on July 1, 2001, a penalty of ten percent (10%)~~ A  
23 penalty of fifteen percent (15%) of the amount of the overpayment at the time  
24 the overpayment becomes final shall be assessed on all fraudulent  
25 overpayments. ~~However, this penalty shall be waived in the event that the~~  
26 ~~overpayment is repaid within one (1) year after the established date.~~

27 (b)(1) If the director finds that a person has received an amount as  
28 benefits under this chapter to which he or she was not entitled by reasons  
29 other than fraud, willful misrepresentation, or willful nondisclosure of  
30 facts, the person ~~shall be~~ is liable to repay the amount to the ~~fund~~  
31 Unemployment Compensation Fund.

32 (2) In lieu of requiring the repayment, the director may recover  
33 the amount by deduction of any future benefits payable to the person under  
34 this chapter unless the director finds that the overpayment was received  
35 without fault on the part of the recipient and that its recovery would be  
36 against equity and good conscience.

1 (c) ~~Any~~ A person held liable to repay an amount to the ~~fund shall be~~  
2 Unemployment Compensation Fund is subject to having any state income tax  
3 refund to which he or she may be entitled intercepted pursuant to § 26-36-301  
4 et seq., as administered by the Revenue Division of the Department of Finance  
5 and Administration.

6 (d)(1) When an overpayment becomes final under § 11-10-527, the  
7 director shall present a certificate of overpayment describing the amount  
8 owed by the claimant to the circuit clerk of the county where the claimant is  
9 domiciled.

10 (2) The circuit clerk shall enter the certificate of overpayment  
11 in the docket of the circuit court for judgments and decrees and note the  
12 time of the filing of the certificate.

13 (3) After entry by the circuit clerk, the certificate of  
14 overpayment shall have the force ~~and effect~~ of a judgment of the circuit  
15 court and shall bear interest at the rate of ten percent (10%) annually.

16 (4) ~~Any interest or penalty~~ An interest payment recovered from  
17 an overpayment to a claimant shall be deposited into the Department of  
18 Workforce Services Special Fund.

19 (5) A penalty payment recovered from an overpayment to a  
20 claimant shall be deposited into the Unemployment Compensation Fund.

21 (e) The federal income tax refund of a person held liable to repay an  
22 amount to the ~~fund~~ Unemployment Compensation Fund is subject to interception  
23 under the Claims Resolution Act of 2010, Pub. L. No. 111-291, and any rule or  
24 a regulation adopted to implement that law.

25 (f) The Department of Workforce Services may issue an overpayment  
26 determination contemporaneously with any other determination.

27 (g) The deductions from future benefits provided for in subdivisions  
28 (a)(1) and (b)(2) of this section may proceed during an appeal of the  
29 overpayment determination.

30  
31 SECTION 4. Arkansas Code § 11-10-604(b), concerning criteria for  
32 approval of shared work plans, is amended to read as follows:

33 (b) The director shall approve a shared work unemployment compensation  
34 plan only if the following criteria are met:

35 (1) The plan:

36 (A) ~~applies~~ Applies to and identifies the specified

1 affected group; and

2 (B) Includes an estimate of the number of layoffs that  
3 might occur absent participation in the shared work program;

4 (2) The employees in the affected group or groups are identified  
5 by name, social security number, and by any other information required by the  
6 director;

7 (3) The usual weekly hours of work for employees in the affected  
8 group or groups are reduced by not less than ten percent (10%) and not more  
9 than forty percent (40%);

10 (4)(A) Health benefits and retirement benefits under defined  
11 benefit pension plans, as defined in Section 3(35) of the Employee Retirement  
12 Income Security Act of 1974, Pub. L. No. 93-406, and other fringe benefits  
13 will continue to be provided to employees in the affected group or groups as  
14 though their work weeks had not been reduced.

15 (B) However, if the employer reduces the level of benefits  
16 under subdivision (4)(A) of this section for its employees who are not in the  
17 shared work group, the level of benefits may be reduced by a like amount for  
18 the employer's shared work employees;

19 (5) The plan certifies that the aggregate reduction in work  
20 hours is in lieu of ~~temporary~~ all layoffs ~~which~~ that would have affected at  
21 least ten percent (10%) of the employees in the affected group or groups to  
22 which the plan applies and ~~which~~ that would have resulted in an equivalent  
23 reduction in work hours;

24 (6) During the previous four (4) months, the work force in the  
25 affected group has not been reduced by temporary layoffs of more than ten  
26 percent (10%) of the workers;

27 (7)(A) The plan applies to at least ten percent (10%) of the  
28 employees in the affected group.

29 (B)(i) If the plan applies to all employees in the  
30 affected group, the plan provides equal treatment to all employees of the  
31 group.

32 (ii) If the affected group is divided into  
33 subgroups, the plan provides equal treatment to employees within each  
34 subgroup;

35 (8)(A)(i) In the case of employees represented by an exclusive  
36 bargaining representative, the plan is approved in writing by the collective

1 bargaining agent.

2 (ii) ~~In the event that~~ If the certification of an  
3 exclusive bargaining representative has been appealed, ~~such the~~ bargaining  
4 representative shall be considered to be the exclusive bargaining  
5 representative for work sharing plan purposes.

6 (B)(i) ~~In the absence of any bargaining representative,~~  
7 ~~the plan must~~ The plan shall contain a certification by the employer that the  
8 employer has made the proposed plan, ~~or a summary thereof,~~ available to:

9 (a) ~~each~~ Each employee in the affected group  
10 for inspection; or

11 (b) If applicable, to the exclusive bargaining  
12 representative.

13 (ii) The plan shall include:

14 (a) A description of how the plan was made  
15 available; and

16 (b) If advance notice of the plan was not  
17 feasible, an explanation of why advance notice was not feasible;

18 (9)(A) The plan includes a certified statement by the employer  
19 that ~~each employee in the affected group would be eligible for normal~~  
20 ~~unemployment compensation under § 11-10-507(5)~~ the terms and implementation  
21 of the shared work plan are consistent with any obligations the employer has  
22 under applicable federal and state laws.

23 (B) ~~Any~~ An employee who joins an affected group after the  
24 approval of the shared work plan is automatically covered under the  
25 previously approved plan, effective the week that the director receives  
26 written notice from the shared work employer that the employee has joined ~~and~~  
27 ~~certification that the employee meets the requirements of § 11-10-507(5);~~

28 (10) On the most recent computation date preceding the date of  
29 ~~submittal~~ submission of the shared work plan for approval, the total of all  
30 contributions paid on the employing unit's own behalf and credited to its  
31 account for all previous periods equaled or exceeded the regular benefits  
32 charged to its account for all previous periods;

33 (11) The plan ~~will~~ shall not serve as a subsidy of seasonal  
34 employment during the off-season nor as a subsidy of temporary part-time  
35 employment or intermittent employment; and

36 (12) The employer agrees to:

1                    (A) ~~furnish~~ Furnish reports relating to the proper conduct  
2 of the plan;

3                    (B) ~~and agrees to allow~~ Allow the director or his or her  
4 authorized representatives access to all records necessary to verify the plan  
5 ~~prior to~~ before approval; and,

6                    (C) ~~after approval,~~ Allow the director to monitor and  
7 evaluate application of the plan after approval.

8  
9           SECTION 5. Arkansas Code § 11-10-609 is amended to read as follows:

10           11-10-609. Eligibility for compensation.

11           (a) An individual is eligible to receive shared work unemployment  
12 compensation benefits with respect to any week only if, in addition to  
13 monetary entitlement, the Director of the Department of Workforce Services  
14 finds that:

15                   (1) During the week, the individual is employed as a member of  
16 an affected group under an approved shared work compensation plan that was  
17 approved ~~prior to~~ before that week, and the plan is in effect with respect to  
18 the week for which the benefits are claimed;

19                   (2)(A) During the week, the individual is able to work and is  
20 available for the normal work week with the shared work employer.

21                   (B) However, an otherwise eligible individual shall not be  
22 denied benefits with respect to any week in which he or she is in training to  
23 enhance job skills, including employer-sponsored training and worker training  
24 funded under the Arkansas Workforce Investment Act, § 15-4-2201 et seq., if  
25 the training has been approved by the director.

26                   ~~(3)(b)~~ Notwithstanding any other provisions of this chapter to the  
27 contrary, an individual is deemed unemployed in any week for which  
28 remuneration is payable to him or her as an employee in an affected group for  
29 ninety percent (90%) or less than his or her normal weekly hours of work as  
30 specified under the approved shared work compensation plan in effect for the  
31 week.

32                   ~~(4)(c)~~ Notwithstanding any other provisions of this chapter to the  
33 contrary, an individual shall not be denied shared work unemployment  
34 compensation benefits for any week by reason of the application of provisions  
35 relating to availability for work and active search for work with an employer  
36 other than the shared work unemployment compensation employer.



1  
2 SECTION 6. Arkansas Code § 11-10-703(a), concerning employer rates and  
3 separate accounts regarding an employer's unemployment benefit contributions,  
4 is amended to add an additional subdivision to read as follows:

5 (6) Relief from charges shall not be granted if:

6 (A) An overpayment of benefits is the result of a failure  
7 by an employer or the employer's agent to respond timely or adequately to a  
8 request for information from the Department of Workforce Services; and

9 (B) The employer or the employer's agent has established a  
10 pattern of failing to respond to such requests.

11  
12 SECTION 7. Arkansas Code § 11-10-801(b), concerning funds deposited  
13 into the Unemployment Compensation Fund, is amended to read as follows:

14 (b) ~~This fund~~ The Unemployment Compensation Fund shall consist of:

15 (1) All the contributions collected ~~pursuant to~~ under this  
16 chapter;

17 (2) All interest earned upon any money in the ~~fund~~ Unemployment  
18 Compensation Fund;

19 (3) All property or securities acquired in lieu of contributions  
20 or other liabilities to the ~~fund~~ Unemployment Compensation Fund;

21 (4) All earnings of ~~such~~ property or securities acquired in lieu  
22 of contributions or other liabilities;

23 (5) All moneys recovered on losses sustained by the ~~fund~~  
24 Unemployment Compensation Fund;

25 (6) All moneys received from the federal Unemployment Account in  
26 the federal Unemployment Trust Fund in accordance with Title XII of the  
27 Social Security Act;

28 (7) All moneys credited to this state's account in the federal  
29 Unemployment Trust Fund pursuant to § 903 of the Social Security Act;

30 (8) All moneys received for the ~~fund~~ Unemployment Compensation  
31 Fund from any other source;

32 (9) All moneys received from the federal government as  
33 reimbursements pursuant to § 204 of the Federal-State Extended Unemployment  
34 Compensation Act of 1970, Pub. L. No 91-373; and

35 (10) All moneys received from the stabilization tax under § 11-  
36 10-706, except the proceeds of § 11-10-706(f); and

1           (11) All moneys recovered as penalty payments under § 11-10-  
2 532(a)(3).

3  
4           SECTION 8. Arkansas Code § 11-10-902(b), concerning reporting  
5 requirements for new hires, is amended to read as follows:

6           (b)(1) The administrator shall compile an automated state registry of  
7 newly hired and returning employees.

8           (2) An employer shall report electronically or in any manner  
9 authorized by the Department of Workforce Services for inclusion in the State  
10 New Hire Registry whenever an employee:

11           (A) ~~is~~ Is newly hired; or

12           (B) If the individual was previously employed by the  
13 employer but has been separated from the previous employment for at least  
14 sixty (60) consecutive days, returns to work.

15           (3) An employer shall include in each report:

16           (A) ~~the~~ The name, address, and social security number of  
17 the employee and the date the employee began performing services for the  
18 employer; and

19           (B) ~~the~~ The name, address, and federal taxpayer  
20 identification number of the employer.

21           (4)(A) An employer shall make the report by submitting a copy of  
22 Internal Revenue Service Form W-4 for the employee or an equivalent form.

23           (B)(i) An employer may transmit the report by first class  
24 mail, magnetically, or electronically.

25           (ii) If an employer makes the report by mail, the  
26 reporting date is that of the postmark.

27           (C) The report shall be received not later than twenty  
28 (20) days after the date the employer hires the employee or, in the case of  
29 an employer transmitting reports magnetically or electronically, by two (2)  
30 monthly transmissions, if necessary, not less than twelve (12) days nor more  
31 than sixteen (16) days apart.

32           (5)(A) An employer that has employees employed in two (2) or  
33 more states and transmits reports magnetically or electronically may comply  
34 with the reporting requirements of this section by designating one (1) state  
35 in which the employer has employees and to which the employer will transmit  
36 the report required by this section.

