

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 271**

FINAL READING

Introduced by Ebke, 32.

Read first time January 14, 2015

Committee: Business and Labor

1 A BILL FOR AN ACT relating to labor; to amend sections 48-602, 48-603,  
2 48-603.01, 48-605, 48-625, 48-648, 48-648.01, 48-654, 48-660.01, and  
3 48-669, Reissue Revised Statutes of Nebraska, and section 48-663.01,  
4 Revised Statutes Cumulative Supplement, 2014; to change and  
5 eliminate provisions of the Employment Security Law; to harmonize  
6 provisions; and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-602, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 48-602 For purposes of the Employment Security Law, unless the  
4 context otherwise requires:

5 (1) Base period means the first four of the last five completed  
6 calendar quarters immediately preceding the first day of an individual's  
7 benefit year, except that ~~for benefit years beginning on or after July 1,~~  
8 ~~2011,~~ if the individual is not monetarily eligible for unemployment  
9 benefits as determined pursuant to subdivision (5) of section 48-627  
10 based upon wages paid during the first four of the five most recently  
11 completed calendar quarters, the department shall make a redetermination  
12 of monetary eligibility based upon an alternative base period which  
13 consists of the last four completed calendar quarters immediately  
14 preceding the first day of the claimant's benefit year;

15 (2) Benefits means the money payments payable to an individual with  
16 respect to his or her unemployment;

17 (3) Benefit year, with respect to any individual, means the one-year  
18 period beginning with the first day of the first week with respect to  
19 which the individual first files a valid claim for benefits, and  
20 thereafter the one-year period beginning with the first day of the first  
21 week with respect to which the individual next files a valid claim for  
22 benefits after the termination of his or her last preceding benefit year.  
23 Any claim for benefits made in accordance with section 48-629 shall be  
24 deemed to be a valid claim for the purpose of this subdivision if the  
25 individual has been paid the wages for insured work required under  
26 section 48-627. For the purposes of this subdivision a week with respect  
27 to which an individual files a valid claim shall be deemed to be in,  
28 within, or during that benefit year which includes the greater part of  
29 such week;

30 (4) Calendar quarter means the period of three consecutive calendar  
31 months ending on March 31, June 30, September 30, or December 31, or the

1 equivalent thereof as the Commissioner of Labor may by rule and  
2 regulation prescribe;

3 (5) Client means any individual, partnership, limited liability  
4 company, corporation, or other legally recognized entity that contracts  
5 with a professional employer organization to obtain professional employer  
6 services relating to worksite employees through a professional employer  
7 agreement;

8 (6) Combined tax means the employer liability consisting of  
9 contributions and the state unemployment insurance tax;

10 (7) Combined tax rate means the rate which is applied to wages to  
11 determine the combined taxes due;

12 (8) Commissioner means the Commissioner of Labor;

13 (9) Contribution rate means the percentage of the combined tax rate  
14 used to determine the contribution portion of the combined tax;

15 (10) Contributions means that portion of the combined tax based upon  
16 the contribution rate portion of the combined tax rate which is deposited  
17 in the state Unemployment Compensation Fund as required by sections  
18 48-648 and 48-649;

19 (11) Department means the Department of Labor;

20 (12) Employment office means a free public employment office or  
21 branch thereof, operated by this state or maintained as a part of a  
22 state-controlled system of public employment offices, including public  
23 employment offices operated by an agency of a foreign government;

24 (13) Fund means the Unemployment Compensation Fund established by  
25 section 48-617 to which all contributions and payments in lieu of  
26 contributions required and from which all benefits provided shall be  
27 paid;

28 (14) Hospital means an institution which has been licensed,  
29 certified, or approved by the Department of Health and Human Services as  
30 a hospital;

31 (15) Institution of higher education means an institution which: (a)

1 Admits as regular students only individuals having a certificate of  
2 graduation from a high school or the recognized equivalent of such a  
3 certificate; (b) is legally authorized in this state to provide a program  
4 of education beyond high school; (c) provides an educational program for  
5 which it awards a bachelor's degree or higher or provides a program which  
6 is acceptable for full credit toward such a degree, a program of  
7 postgraduate or postdoctoral studies, or a program of training to prepare  
8 students for gainful employment in a recognized occupation; and (d) is a  
9 public or other nonprofit institution; notwithstanding any of the  
10 foregoing provisions of this subdivision, all colleges and universities  
11 in this state are institutions of higher education for purposes of this  
12 section;

13 (16) Insured work means employment for employers;

14 (17) Leave of absence means any absence from work: (a) Mutually and  
15 voluntarily agreed to by the employer and the employee; (b) mutually and  
16 voluntarily agreed to between the employer and the employee's bargaining  
17 agent; or (c) to which the employee is entitled to as a matter of state  
18 or federal law;

19 (18) Paid vacation leave means a period of time while employed or  
20 following separation from employment in which the individual renders no  
21 services to the employer but is entitled to receive vacation pay equal to  
22 or exceeding his or her base weekly wage;

23 (19) Payments in lieu of contributions means the money payments to  
24 the Unemployment Compensation Fund required by sections 48-649, 48-652,  
25 48-660.01, and 48-661;

26 (20) Professional employer agreement means a written professional  
27 employer services contract whereby:

28 (a) A professional employer organization agrees to provide payroll  
29 services, employee benefit administration, or personnel services for a  
30 majority of the employees providing services to the client at a client  
31 worksite;

1 (b) The agreement is intended to be ongoing rather than temporary in  
2 nature; and

3 (c) Employer responsibilities for worksite employees, including  
4 those of hiring, firing, and disciplining, are shared between the  
5 professional employer organization and the client by contract. The term  
6 professional employer agreement shall not include a contract between a  
7 parent corporation, company, or other entity and a wholly owned  
8 subsidiary;

9 (21) Professional employer organization means any individual,  
10 partnership, limited liability company, corporation, or other legally  
11 recognized entity that enters into a professional employer agreement with  
12 a client or clients for a majority of a client's workforce at a client  
13 worksite. The term professional employer organization does not include an  
14 insurer as defined in section 44-103 or a temporary help firm;

15 (22) State includes, in addition to the states of the United States  
16 of America, any dependency of the United States, the Commonwealth of  
17 Puerto Rico, the Virgin Islands, and the District of Columbia;

18 (23) State unemployment insurance tax means that portion of the  
19 combined tax which is based upon the state unemployment insurance tax  
20 rate portion of the combined tax rate and which is deposited in the State  
21 Unemployment Insurance Trust Fund as required by sections 48-648 and  
22 48-649;

23 (24) State unemployment insurance tax rate means the percentage of  
24 the combined tax rate used to determine the state unemployment insurance  
25 tax portion of the combined tax;

26 (25) Temporary employee means an employee of a temporary help firm  
27 assigned to work for the clients of such temporary help firm;

28 (26) Temporary help firm means a firm that hires its own employees  
29 and assigns them to clients to support or supplement the client's work  
30 force in work situations such as employee absences, temporary skill  
31 shortages, seasonal workloads, and special assignments and projects;

1 (27) Unemployed means an individual during any week in which the  
2 individual performs no service and with respect to which no wages are  
3 payable to the individual or any week of less than full-time work if the  
4 wages payable with respect to such week are less than the individual's  
5 weekly benefit amount, but does not include any individual on a leave of  
6 absence or on paid vacation leave. When an agreement between the employer  
7 and a bargaining unit representative does not allocate vacation pay  
8 allowance or pay in lieu of vacation to a specified period of time during  
9 a period of temporary layoff or plant shutdown, the payment by the  
10 employer or his or her designated representative will be deemed to be  
11 wages as defined in this section in the week or weeks the vacation is  
12 actually taken;

13 (28) Unemployment Trust Fund means the trust fund in the Treasury of  
14 the United States of America established under section 904 of the federal  
15 Social Security Act, 42 U.S.C. 1104, as such section existed on January  
16 1, 2015 ~~March 2, 2001~~, which receives credit from the state Unemployment  
17 Compensation Fund;

18 (29) Wages, except with respect to services performed in employment  
19 as provided in subdivisions (4)(c) and (d) of section 48-604, means all  
20 remuneration for personal services, including commissions and bonuses,  
21 remuneration for personal services paid under a contract of hire, and the  
22 cash value of all remunerations in any medium other than cash. The  
23 reasonable cash value of remuneration in any medium other than cash shall  
24 be estimated and determined in accordance with rules and regulations  
25 prescribed by the commissioner. Wages ~~After December 31, 1985,~~ wages  
26 includes tips which are received while performing services which  
27 constitute employment and which are included in a written statement  
28 furnished to the employer pursuant to section 6053(a) of the Internal  
29 Revenue Code as defined in section 49-801.01.

30 With respect to services performed in employment in agricultural  
31 labor as is provided in subdivision (4)(c) of section 48-604, wages means

1 cash remuneration and the cash value of commodities not intended for  
2 personal consumption by the worker and his or her immediate family for  
3 such services. With respect to services performed in employment in  
4 domestic service as is provided in subdivision (4)(d) of section 48-604,  
5 wages means cash remuneration for such services.

6 The term wages does not include:

7 (a) The amount of any payment, including any amount paid by an  
8 employer for insurance or annuities or into a fund to provide for such  
9 payment, made to, or on behalf of, an individual in employment or any of  
10 his or her dependents under a plan or system established by an employer  
11 which makes provision for such individuals generally or for a class or  
12 classes of such individuals, including any amount paid by an employer for  
13 insurance or annuities or into a fund to provide for any such payment, on  
14 account of (i) sickness or accident disability, except, in the case of  
15 payments made to an employee or any of his or her dependents, this  
16 subdivision (i) shall exclude from wages only payments which are received  
17 under a workers' compensation law, (ii) medical and hospitalization  
18 expenses in connection with sickness or accident disability, or (iii)  
19 death;

20 (b) The payment by an employer, without deduction from the  
21 remuneration of the employee, of the tax imposed upon an employee under  
22 section 3101 of the Internal Revenue Code as defined in section  
23 49-801.01;

24 (c) Any payment on account of sickness or accident disability, or  
25 medical or hospitalization expenses in connection with sickness or  
26 accident disability, made by an employer to, or on behalf of, an  
27 individual after the expiration of six calendar months following the last  
28 calendar month in which such individual worked for such employer;

29 (d) Any payment made to, or on behalf of, an individual or his or  
30 her beneficiary (i) from or to a trust described in section 401(a) of the  
31 Internal Revenue Code as defined in section 49-801.01 which is exempt

1 from tax under section 501(a) of the Internal Revenue Code as defined in  
2 section 49-801.01 at the time of such payment unless such payment is made  
3 to an employee of the trust as remuneration for services rendered as such  
4 employee and not as a beneficiary of the trust or (ii) under or to an  
5 annuity plan which, at the time of such payment, meets the requirements  
6 of section 401 of the Internal Revenue Code as defined in section  
7 49-801.01;

8 (e) Any payment made to, or on behalf of, an employee or his or her  
9 beneficiary (i) under a simplified employee pension as defined by the  
10 commissioner, (ii) under or to an annuity contract as defined by the  
11 commissioner, other than a payment for the purchase of such contract  
12 which is made by reason of a salary reduction agreement, whether  
13 evidenced by a written instrument or otherwise, (iii) under or to an  
14 exempt governmental deferred compensation plan as defined by the  
15 commissioner, (iv) to supplement pension benefits under a plan or trust,  
16 as defined by the commissioner, to take into account some portion or all  
17 of the increase in the cost of living since retirement, but only if such  
18 supplemental payments are under a plan which is treated as a welfare  
19 plan, or (v) under a cafeteria benefits plan;

20 (f) Remuneration paid in any medium other than cash to an individual  
21 for service not in the course of the employer's trade or business;

22 (g) Benefits paid under a supplemental unemployment benefit plan  
23 which satisfies the eight points set forth in Internal Revenue Service  
24 Revenue Ruling 56-249 as the ruling existed on January 1, 2015 ~~March 2,~~  
25 ~~2001~~, and is in compliance with the standards set forth in Internal  
26 Revenue Service Revenue Rulings 58-128 and 60-330 as the rulings existed  
27 on January 1, 2015 ~~March 2, 2001~~; and

28 (h) Remuneration for service performed in the employ of any state in  
29 the exercise of his or her duties as a member of the Army National Guard  
30 or Air National Guard or in the employ of the United States of America as  
31 a member of any military reserve unit;

1 (30) Week means such period of seven consecutive days as the  
2 commissioner may by rule and regulation prescribe;

3 (31) Week of unemployment with respect to any individual means any  
4 week during which he or she performs less than full-time work and the  
5 wages payable to him or her with respect to such week are less than his  
6 or her weekly benefit amount;

7 (32) Wholly owned subsidiary means a corporation, company, or other  
8 entity which has eighty percent or more of its outstanding voting stock  
9 or membership owned or controlled, directly or indirectly, by the parent  
10 entity; and

11 (33) Worksite ~~(a) Until January 1, 2012, worksite employee means a~~  
12 ~~person receiving wages or benefits from a professional employer~~  
13 ~~organization pursuant to the terms of a professional employer agreement~~  
14 ~~for work performed at a client's worksite.~~

15 ~~(b) On and after January 1, 2012, worksite~~ employee has the same meaning  
16 as the term covered employee in section 48-2702.

17 Sec. 2. Section 48-603, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 48-603 As used in the Employment Security Law, unless the context  
20 clearly requires otherwise, employer shall mean:

21 (1) Any individual or type of organization, including any  
22 partnership, limited liability company, association, trust, estate,  
23 joint-stock company, insurance company or corporation, whether domestic  
24 or foreign, or the receiver, trustee in bankruptcy, trustee or successor  
25 thereof, or the legal representative of a deceased person, ~~which is or~~  
26 ~~was an employer as defined by the Employment Security Law immediately~~  
27 ~~prior to May 27, 1971, and after December 31, 1971, any such individual~~  
28 ~~or employing concern~~ which for some portion of a day but not necessarily  
29 simultaneously in each of twenty different calendar weeks, whether or not  
30 such weeks are or were consecutive, within either the current or  
31 preceding calendar year, and for the purpose of this definition, if any

1 week includes both December 31 and January 1, the days up to January 1  
2 shall be deemed one calendar week and the days beginning January 1  
3 another such week, has or had in employment one or more individuals,  
4 irrespective of whether the same individuals are or were employed in each  
5 such day; all individuals performing services for any employer of any  
6 person in this state, who maintains two or more separate establishments  
7 within this state, shall be deemed to be employed by a single employer;  
8 any artifice or device, including any contract or subcontract, by an  
9 employer for the performance of work, which is a part of such employer's  
10 usual trade, occupation, profession, or business, entered into for the  
11 purpose or with the intent of evading the application of this section to  
12 such employer, is hereby prohibited and declared to be unlawful;

13 (2) Any employer of any person in this state who ~~after December 31,~~  
14 ~~1971,~~ in any calendar quarter in either the current or preceding calendar  
15 year has paid wages for employment in the total sum of fifteen hundred  
16 dollars or more;

17 (3) Any individual or employer of any person in this state which  
18 acquired the organization, trade, or business, or substantially all the  
19 assets thereof, of another employer which, at the time of such  
20 acquisition, was an employer subject to the Employment Security Law;

21 (4) Any employer of any person in this state, which acquired the  
22 organization, trade, or business, or substantially all the assets  
23 thereof, of another employer of any person in this state, not an employer  
24 subject to such law, and which, if subsequent to such acquisition it were  
25 treated as a single unit with such other employer, would be an employer  
26 under subdivision (1) or (2) of this section;

27 (5) Any employer of any person in this state which, having become an  
28 employer under any provision of the Employment Security Law and which has  
29 not, under section 48-661, ceased to be an employer subject to such law;

30 (6) For the effective period of its election pursuant to section  
31 48-661, any other employer of any person in this state who has elected to

1 become fully subject to the Employment Security Law;

2 (7) Any employer of any person in this state not an employer by  
3 reason of any other subdivision of this section (a) for which services in  
4 employment are or were performed with respect to which such employer is  
5 liable for any federal tax against which credit may be taken for  
6 contributions required to be paid into a state unemployment compensation  
7 fund; or (b) which, as a condition for approval of the Employment  
8 Security Law for full tax credit against the tax imposed by the Federal  
9 Unemployment Tax Act, is required, pursuant to such act, to be an  
10 employer under the Employment Security Law;

11 ~~(8) The state or any of its instrumentalities which is or was an~~  
12 ~~employer under the Employment Security Law immediately prior to September~~  
13 ~~2, 1977, and after December 31, 1977, the state or any political~~  
14 ~~subdivision thereof and any instrumentality of any one or more of the~~  
15 ~~foregoing;~~

16 (9) Any organization for which service in employment as defined in  
17 subdivision (4)(b) of section 48-604, ~~subdivision (4)(b)~~ is performed  
18 ~~after December 31, 1971;~~

19 (10) Any individual or employing unit for which service in  
20 employment as defined in subdivision (4)(c) of section 48-604,  
21 ~~subdivision (4)(c),~~ is performed ~~after December 31, 1977;~~

22 (11) Any individual or employing unit for which service in  
23 employment as defined in subdivision (4)(d) of section 48-604,  
24 ~~subdivision (4)(d),~~ is performed ~~after December 31, 1977;~~ and

25 (12)(a) In determining whether or not an employing unit for which  
26 service other than domestic service is also performed is an employer  
27 under subdivision (1) or (10) of this section, the wages earned or the  
28 employment of an employee performing domestic service ~~after December 31,~~  
29 ~~1977,~~ shall not be taken into account; and

30 (b) In determining whether or not an employing unit for which  
31 agricultural labor is also performed is an employer under subdivision

1 (11) of this section, the wages earned or the employment of an employee  
2 performing services in agricultural labor after ~~December 31, 1977~~, shall  
3 not be taken into account. If an employing unit is determined an employer  
4 of agricultural labor, such employing unit shall be determined an  
5 employer for the purposes of subdivision (1) of this section.

6 Sec. 3. Section 48-603.01, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 48-603.01 (1) For purposes of the Employment Security Law, unless  
9 the context otherwise requires, the term employer shall include any  
10 Indian tribe for which services in employment as provided in subdivision  
11 (4)(a) of section 48-604 are performed.

12 (2) The term employment shall include service performed in the  
13 employ of an Indian tribe, as defined in 26 U.S.C. 3306(u), as such  
14 section existed on January 1, 2015 ~~March 2, 2001~~, if such service is  
15 excluded from employment as defined in the Federal Unemployment Tax Act  
16 solely by reason of 26 U.S.C. 3306(c)(7), as such section existed on  
17 January 1, 2015 ~~March 2, 2001~~, and is not otherwise excluded from  
18 employment under the Employment Security Law. For purposes of this  
19 section, the exclusions from employment in subdivisions (6)(f) and (6)(g)  
20 of section 48-604 shall be applicable to services performed in the  
21 employment of an Indian tribe.

22 (3) Benefits based on service in employment defined in this section  
23 shall be payable in the same amount, on the same terms, and subject to  
24 the same conditions as benefits payable on the basis of other covered  
25 employment under the Employment Security Law. Subdivision (8) of section  
26 48-628 shall apply to services performed in an educational institution or  
27 educational service agency owned or operated by an Indian tribe.

28 (4)(a) Indian tribes or tribal units, subdivisions, subsidiaries, or  
29 business enterprises wholly owned by such Indian tribes, subject to the  
30 Employment Security Law, shall pay combined tax under the same terms and  
31 conditions as all other subject employers, unless they elect to make

1 payments in lieu of contributions equal to the amount of benefits  
2 attributable to service in the employ of the Indian tribe.

3 (b) Indian tribes electing to make payments in lieu of contributions  
4 shall make such election in the same manner and under the same conditions  
5 as provided in subdivision (7) of section 48-649 pertaining to state and  
6 local governments subject to the Employment Security Law. Indian tribes  
7 shall determine if reimbursement for benefits paid will be elected by the  
8 tribe as a whole, by individual tribal units, or by combinations of  
9 individual tribal units.

10 (c) Except as provided in subsection (7) of this section, Indian  
11 tribes or tribal units shall be billed for the full amount of benefits  
12 attributable to service in the employ of the Indian tribe or tribal unit  
13 on the same schedule as other employing units that have elected to make  
14 payments in lieu of contributions.

15 (d) At the discretion of the commissioner, any Indian tribe or  
16 tribal unit that elects to become liable for payments in lieu of  
17 contributions shall be required within thirty days after the effective  
18 date of its election to:

19 (i) Execute and file with the commissioner a surety bond approved by  
20 the commissioner; or

21 (ii) Deposit with the commissioner money or securities on the same  
22 basis as other employers with the same election option.

23 (5)(a)(i) Failure of the Indian tribe or tribal unit to make  
24 required payments, including assessments of interest and penalty, within  
25 ninety days of receipt of the bill will cause the Indian tribe to lose  
26 the option to make payments in lieu of contributions, as described in  
27 subsection (4) of this section, for the following tax year unless payment  
28 in full is received before combined tax rates for the next tax year are  
29 computed.

30 (ii) Any Indian tribe that loses the option to make payments in lieu  
31 of contributions due to late payment or nonpayment, as described in

1 subdivision (5)(a)(i) of this section, shall have such option reinstated  
2 if, after a period of one year, all combined taxes have been paid timely  
3 and no combined tax, payments in lieu of contributions for benefits paid,  
4 penalties, or interest remain outstanding.

5 (b)(i) Failure of the Indian tribe or any tribal unit thereof to  
6 make required payments, including assessments of interest and penalty,  
7 after all collection activities deemed necessary by the commissioner have  
8 been exhausted will cause services performed for such tribe to not be  
9 treated as employment for purposes of subsection (2) of this section.

10 (ii) The commissioner may determine that any Indian tribe that loses  
11 coverage under subdivision (5)(b)(i) of this section may have services  
12 performed for such tribe again included as employment for purposes of  
13 subsection (2) of this section if all contributions, payments in lieu of  
14 contributions, penalties, and interest have been paid.

15 (6) Notices of payment and reporting delinquency to Indian tribes or  
16 their tribal units shall include information that failure to make full  
17 payment within the prescribed timeframe:

18 (a) Will cause the Indian tribe to be liable for taxes under the  
19 Federal Unemployment Tax Act, as the act existed on January 1, 2015 ~~March~~  
20 ~~2, 2001~~;

21 (b) Will cause the Indian tribe to lose the option to make payments  
22 in lieu of contributions; and

23 (c) Could cause the Indian tribe to be excepted from the definition  
24 of employer, as provided in subsection (1) of this section, and services  
25 in the employ of the Indian tribe, as provided in subsection (2) of this  
26 section, to be excepted from employment.

27 (7) Extended benefits paid that are attributable to service in the  
28 employ of an Indian tribe and not reimbursed by the federal government  
29 shall be financed in their entirety by such Indian tribe.

30 (8) If an Indian tribe fails to make payments required under this  
31 section, including assessments of interest and penalty, within ninety

1 days after a final notice of delinquency, the commissioner shall  
2 immediately notify the United States Internal Revenue Service and the  
3 United States Department of Labor.

4 Sec. 4. Section 48-605, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 48-605 The commissioner, for his or her services with respect to the  
7 administration of the Employment Security Law, shall receive the sum  
8 fixed by the Governor, payable monthly, to be paid from the Employment  
9 Security Administration Fund in addition to the salary of the  
10 commissioner as set out in section 81-103.

11 Sec. 5. Section 48-625, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 48-625 (1) Each eligible For benefit years beginning on or before  
14 September 30, 2006, each eligible individual who is unemployed in any  
15 week shall be paid with respect to such week a benefit in an amount equal  
16 to his or her full weekly benefit amount if he or she has wages payable  
17 to him or her with respect to such week equal to one half of such benefit  
18 amount or less. In the event he or she has wages payable to him or her  
19 with respect to such week greater than one-half of such benefit amount  
20 but less than his or her full weekly benefit amount, he or she shall be  
21 paid an amount equal to one-half of such benefit amount. For any benefit  
22 year beginning on or after October 1, 2006, each individual who is  
23 unemployed in any week shall be paid with respect to such week a benefit  
24 in an amount equal to his or her full weekly benefit amount if he or she  
25 has wages payable to him or her with respect to such week equal to one-  
26 fourth of such benefit amount or less. In the event he or she has wages  
27 payable to him or her with respect to such week greater than one-fourth  
28 of such benefit amount, he or she shall be paid with respect to that week  
29 an amount equal to the individual's weekly benefit amount less that part  
30 of wages payable to the individual with respect to that week in excess of  
31 one-fourth of the individual's weekly benefit amount. In the event there

1 is any deduction from such individual's weekly benefit amount because of  
2 earned wages pursuant to this subsection or as a result of the  
3 application of subdivision (5) of section 48-628, the resulting benefit  
4 payment, if not an exact dollar amount, shall be computed to the next  
5 lower dollar amount.

6 Any amount of unemployment compensation payable to any individual  
7 for any week, if not an even dollar amount, shall be rounded to the next  
8 lower full dollar amount.

9 No deduction shall be made for any supplemental payments received by  
10 a claimant under the provisions of subsection (b) of section 408 of Title  
11 IV of the Veterans Readjustment Assistance Act of 1952.

12 The percentage of benefits and the percentage of extended benefits  
13 which are federally funded may be adjusted in accordance with the  
14 Balanced Budget and Emergency Deficit Control Act of 1985, Public Law  
15 99-177.

16 (2) Vacation leave pay including that received in a lump sum or upon  
17 separation from employment shall be prorated in an amount reasonably  
18 attributable to each week claimed and considered payable with respect to  
19 such week.

20 Sec. 6. Section 48-648, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 48-648 (1) Combined tax shall accrue and become payable by each  
23 employer not otherwise entitled to make payments in lieu of contributions  
24 for each calendar year in which he or she is subject to the Employment  
25 Security Law, with respect to wages for employment. Such combined tax  
26 shall become due and be paid by each employer to the commissioner for the  
27 State Unemployment Insurance Trust Fund and the Unemployment Trust Fund  
28 in such manner and at such times as the commissioner may, by rule and  
29 regulation, prescribe and shall not be deducted, in whole or in part,  
30 from the wages of individuals in such employer's employ. ~~The For all tax~~  
31 ~~years beginning before January 1, 2010, the commissioner may require that~~

1 ~~any employer whose annual payroll for either of the two preceding~~  
2 ~~calendar years has equaled or exceeded five hundred thousand dollars to~~  
3 ~~file combined tax returns and pay combined taxes owed by an electronic~~  
4 ~~method approved by the commissioner, except when the employer establishes~~  
5 ~~to the satisfaction of the commissioner that filing the combined tax~~  
6 ~~return or payment of the tax by an electronic method would work a~~  
7 ~~hardship on the employer. For all tax years beginning on or after January~~  
8 ~~1, 2010, the commissioner may require any employer whose annual payroll~~  
9 for either of the two preceding calendar years has equaled or exceeded  
10 one hundred thousand dollars to file combined tax returns and pay  
11 combined taxes owed by an electronic method approved by the commissioner,  
12 except when the employer establishes to the satisfaction of the  
13 commissioner that filing the combined tax return or payment of the tax by  
14 an electronic method would work a hardship on the employer. In the  
15 payment of any combined tax, a fractional part of a cent shall be  
16 disregarded unless it amounts to one-half cent or more, in which case it  
17 shall be increased to one cent. If the combined tax due for any reporting  
18 period is less than five dollars, the employer need not remit the  
19 combined tax.

20 (2) If two or more related corporations or limited liability  
21 companies concurrently employ the same individual and compensate such  
22 individual through a common paymaster which is one of such corporations  
23 or limited liability companies, each such corporation or limited  
24 liability company shall be considered to have paid as remuneration to  
25 such individual only the amounts actually disbursed by it to such  
26 individual and shall not be considered to have paid as remuneration to  
27 such individual amounts actually disbursed to such individual by another  
28 of such corporations or limited liability companies. An employee of a  
29 wholly owned subsidiary shall be considered to be concurrently employed  
30 by the parent corporation, company, or other entity and the wholly owned  
31 subsidiary whether or not both companies separately provide remuneration.

1           (3) The professional employer organization shall report and pay  
2 combined tax, penalties, and interest owed upon wages earned by worksite  
3 employees under the client's employer account number using the client's  
4 combined tax rate. The client is liable for the payment of unpaid  
5 combined tax, penalties, and interest owed upon wages paid to worksite  
6 employees, and the worksite employees shall be considered employees of  
7 the client for purposes of the Employment Security Law.

8           Sec. 7. Section 48-648.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10           48-648.01 The Commissioner of Labor may require by rule and  
11 regulation that each employer subject to the Employment Security Law  
12 shall submit to the commissioner quarterly wage reports on such forms and  
13 in such manner as the commissioner may prescribe. ~~The For all tax years~~  
14 ~~beginning before January 1, 2010, the commissioner may require that any~~  
15 ~~employer whose annual payroll for either of the two preceding calendar~~  
16 ~~years has equaled or exceeded five hundred thousand dollars to file wage~~  
17 ~~reports by an electronic method approved by the commissioner, except when~~  
18 ~~the employer establishes to the satisfaction of the commissioner that~~  
19 ~~filing by an electronic method would work a hardship on the employer. For~~  
20 ~~all tax years beginning on or after January 1, 2010, the commissioner may~~  
21 require any employer whose annual payroll for either of the two preceding  
22 calendar years has equaled or exceeded one hundred thousand dollars to  
23 file wage reports by an electronic method approved by the commissioner,  
24 except when the employer establishes to the satisfaction of the  
25 commissioner that filing by an electronic method would work a hardship on  
26 the employer. The quarterly wage reports shall be used by the  
27 commissioner to make monetary determinations of claims for benefits.

28           Sec. 8. Section 48-654, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30           48-654 Subject to section 48-654.01, any employer that acquires the  
31 organization, trade, or business, or substantially all the assets

1   thereof, of another employer shall immediately notify the commissioner  
2   thereof, and ~~prior to September 6, 1985, shall, and on and after~~  
3   ~~September 6, 1985,~~ may, pursuant to rules and regulations prescribed by  
4   the commissioner, assume the position of such employer with respect to  
5   the resources and liabilities of such employer's experience account as if  
6   no change with respect to such employer's experience account has  
7   occurred. The commissioner may provide by rule and regulation for partial  
8   transfers of experience accounts, except that such partial transfers of  
9   accounts shall be construed to allow computation and fixing of  
10   contribution rates only ~~on and after January 1, 1953,~~ where an employer  
11   has transferred at any time subsequent to ~~or on January 1, 1950,~~ a  
12   definable and segregable portion of his or her payroll and business to a  
13   transferee-employer. For an acquisition which occurs during either of the  
14   first two calendar quarters of a calendar year or during the fourth  
15   quarter of the preceding calendar year, a new rate of contributions,  
16   payable by the transferee-employer with respect to wages paid by him or  
17   her after midnight of the last day of the calendar quarter in which such  
18   acquisition occurs and prior to midnight of the following September 30,  
19   shall be computed in accordance with this section. For the purpose of  
20   computing such new rate of contributions, the computation date with  
21   respect to any such acquisition shall be September 30 of the preceding  
22   calendar year and the term payroll shall mean the total amount of wages  
23   by which contributions to the transferee's account and to the  
24   transferor's account were measured for four calendar quarters ending  
25   September 30 preceding the computation date.

26         Sec. 9. Section 48-660.01, Reissue Revised Statutes of Nebraska, is  
27   amended to read:

28         48-660.01 (1) Benefits paid to employees of nonprofit organizations  
29   shall be financed in accordance with this section. For the purpose of  
30   this section, a nonprofit organization is an organization, or group of  
31   organizations, described in subdivision (9) of section 48-603.

1           (2)(a) Any nonprofit organization which is, or becomes, subject to  
2 the Employment Security Law ~~on or after January 1, 1972,~~ shall pay  
3 contributions under sections ~~48-648 to 48-661 and after December 31,~~  
4 ~~1995,~~ shall pay combined tax under such sections 48-648 to 48-661 unless  
5 it elects, in accordance with this subsection subdivision, to pay to the  
6 commissioner for the unemployment fund an amount, equal to the amount of  
7 regular benefits and of one-half of the extended benefits paid, that is  
8 attributable to service in the employ of such nonprofit organization, to  
9 individuals for weeks of unemployment which begin during the effective  
10 period of such election.

11           (b) Any nonprofit organization which is, or becomes, subject to the  
12 Employment Security Law ~~on January 1, 1972,~~ may elect to become liable  
13 for payments in lieu of contributions for a period of not less than one  
14 taxable year beginning with January 1, 1972, if it files with the  
15 commissioner a written notice of its election within the thirty-day  
16 period immediately following such date or within a like period  
17 immediately following the date of enactment of this subdivision,  
18 whichever occurs later. Any eligible employer electing to become liable  
19 for payments in lieu of contributions shall not be liable for state  
20 unemployment insurance tax.

21 ~~(c) Any nonprofit organization which becomes subject to the Employment~~  
22 ~~Security Law after January 1, 1972,~~ may elect to become liable for  
23 payments in lieu of contributions for a period of not less than twelve  
24 months beginning with the date on which such subjectivity begins by  
25 filing a written notice of its election with the commissioner not later  
26 than thirty days immediately following the date of the determination of  
27 such subjectivity.

28           (c d) Any nonprofit organization which makes an election in  
29 accordance with subdivision (b) ~~or (c)~~ of this subsection shall continue  
30 to be liable for payments in lieu of contributions until it files with  
31 the commissioner a written notice terminating its election not later than

1 thirty days prior to the beginning of the taxable year for which such  
2 termination shall first be effective.

3 (d e) Any nonprofit organization which has been paying ~~contributions~~  
4 ~~or~~ combined tax under the Employment Security Law ~~for a period subsequent~~  
5 ~~to January 1, 1972,~~ may change to a reimbursable basis by filing with the  
6 commissioner not later than thirty days prior to the beginning of any  
7 taxable year a written notice of election to become liable for payments  
8 in lieu of contributions. Such election shall not be terminable by the  
9 organization for that and the next year.

10 (e f) The commissioner may for good cause extend the period within  
11 which a notice of election, or a notice of termination, must be filed and  
12 may permit an election to be retroactive but not any earlier than with  
13 respect to benefits paid after December 31, 1969.

14 (f g) The commissioner, in accordance with such rules and  
15 regulations as he or she may adopt and promulgate, shall notify each  
16 nonprofit organization of any determination which he or she may make of  
17 its status as an employer and of the effective date of any election which  
18 it makes and of any termination of such election. Such determinations  
19 shall be subject to redetermination and appeal, and the appeal shall be  
20 in accordance with the Administrative Procedure Act.

21 (3) Payments in lieu of contributions shall be made in accordance  
22 with this subsection as follows:

23 (a) At the end of each calendar quarter, or at the end of any other  
24 period as determined by the commissioner, the commissioner shall bill  
25 each nonprofit organization, or group of such organizations, which has  
26 elected to make payment in lieu of contributions for an amount equal to  
27 the full amount of regular benefits plus one-half of the amount of  
28 extended benefits paid during such quarter or other prescribed period  
29 that is attributable to service in the employ of such organization;

30 (b) Payment of any bill rendered under subdivision (a) of this  
31 subsection shall be made not later than thirty days after such bill was

1 mailed to the last-known address of the nonprofit organization or was  
2 otherwise delivered to it unless there has been an application for review  
3 and redetermination in accordance with subdivision (d) of this  
4 subsection;

5 (c) Payments made by any nonprofit organization under this  
6 subsection shall not be deducted or deductible, in whole or in part, from  
7 the remuneration of individuals in the employ of the organization;

8 (d) The amount due specified in any bill from the commissioner shall  
9 be conclusive on the organization unless, not later than thirty days  
10 after the bill was mailed to its last-known address or otherwise  
11 delivered to it, the organization files an application for  
12 redetermination by the commissioner setting forth the grounds for such  
13 application. The commissioner shall promptly review and reconsider the  
14 amount due specified in the bill and shall thereafter issue a  
15 redetermination in any case in which such application for redetermination  
16 has been filed. Any such redetermination shall be conclusive on the  
17 organization unless the organization appeals the redetermination, and the  
18 appeal shall be in accordance with the Administrative Procedure Act; and

19 (e) Past-due payments of amounts in lieu of contributions shall be  
20 subject to the same interest that, pursuant to section 48-655, applies to  
21 past-due contributions, and the commissioner may file a lien against such  
22 nonprofit organization in accordance with the Uniform State Tax Lien  
23 Registration and Enforcement Act. Such liens shall set forth the amount  
24 of payments in lieu of contributions and interest in default and shall be  
25 enforced as provided in the Uniform State Tax Lien Registration and  
26 Enforcement Act.

27 (4) If any nonprofit organization is delinquent in making payments  
28 in lieu of contributions as required under subsection (3) of this  
29 section, the commissioner may terminate such organization's election to  
30 make payments in lieu of contributions as of the beginning of the next  
31 taxable year, and such termination shall be effective for that and the

1 next taxable year.

2 (5) Each employer that is liable for payments in lieu of  
3 contributions shall pay to the commissioner for the fund the amount of  
4 regular benefits plus the amount of one-half of extended benefits paid  
5 that are attributable to service in the employ of such employer. If  
6 benefits paid to an individual are based on wages paid by more than one  
7 employer and one or more of such employers are liable for payments in  
8 lieu of contributions, the amount payable to the fund by each employer  
9 that is liable for such payments shall be determined in accordance with  
10 section 48-652.

11 Sec. 10. Section 48-663.01, Revised Statutes Cumulative Supplement,  
12 2014, is amended to read:

13 48-663.01 (1)(a) Notwithstanding any other provision of this  
14 section, or of section 48-627 or 48-663, an individual who willfully  
15 fails to disclose amounts earned during any week with respect to which  
16 benefits are claimed by him or her or who willfully fails to disclose or  
17 has falsified as to any fact which would have disqualified him or her or  
18 rendered him or her ineligible for benefits during such week, shall  
19 forfeit all or part of his or her benefit rights, as determined by a  
20 deputy, with respect to uncharged wage credits accrued prior to the date  
21 of such failure or to the date of such falsifications.

22 (b) In addition to any benefits which he or she may be required to  
23 repay pursuant to subdivision (1)(a) of this section, if an overpayment  
24 is established pursuant to this section on or after October 1, 2013, an  
25 individual shall be required to pay to the department a penalty equal to  
26 fifteen percent of the amount of benefits received as a result of such  
27 willful failure to disclose or falsification. All amounts collected  
28 pursuant to this subdivision shall be remitted ~~to the State Treasurer~~ for  
29 credit to the Unemployment Compensation Fund.

30 (c) An appeal may be taken from any determination made pursuant to  
31 subdivision (1)(a) of this section in the manner provided in section

1 48-634.

2 (2)(a) If any person liable to repay an overpayment of unemployment  
3 benefits resulting from a determination under subdivision (1)(a) of this  
4 section and the penalty required under subdivision (1)(b) of this section  
5 fails or refuses to repay such overpayment and any penalty assessed  
6 within twelve months after the date the overpayment determination becomes  
7 final, the commissioner may issue a levy on salary, wages, or other  
8 regular payments due to or received by such person and such levy shall be  
9 continuous from the date the levy is served until the amount of the levy  
10 is satisfied. Notice of the levy shall be mailed to the person whose  
11 salary, wages, or other regular payment is levied upon at his or her  
12 last-known address not later than the date that the levy is served.  
13 Exemptions or limitations on the amount of salary, wages, or other  
14 regular payment that can be garnished or levied upon by a judgment  
15 creditor shall apply to levies made pursuant to this section. Appeal of a  
16 levy may be made in the manner provided in section 48-634, but such  
17 appeal shall not act as a stay of the levy.

18 (b) Any person upon whom a levy is served who fails or refuses to  
19 honor the levy without cause may be held liable for the amount of the  
20 levy up to the value of the assets of the person liable to repay the  
21 overpayment that are under the control of the person upon whom the levy  
22 is served at the time of service and thereafter.

23 Sec. 11. Section 48-669, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 ~~48-669 (1) With respect to any claimant for whom there is current a~~  
26 ~~benefit year, which has not expired prior to the effective date of any~~  
27 ~~change in the weekly benefit amounts prescribed in section 48-624 or the~~  
28 ~~maximum annual benefit amount prescribed in section 48-626, the weekly~~  
29 ~~benefit amount and the maximum annual benefit amount shall be those~~  
30 ~~amounts determined prior to the effective date of such change.~~

31 ~~(2) After December 31, 1995, any changes in the weekly benefit~~

1 ~~amounts prescribed in section 48-624 or in the maximum annual benefit~~  
2 ~~amount prescribed in section 48-626 shall become effective on January 1~~  
3 ~~of the year following such legislative enactment.~~

4 ~~Any (3) After December 31, 2000,~~ any change in the weekly benefit  
5 amounts prescribed in section 48-624 or any change in the maximum annual  
6 benefit amount prescribed in section 48-626 shall be applicable for the  
7 calendar year following the annual determination made pursuant to section  
8 48-121.02.

9 Sec. 12. Original sections 48-602, 48-603, 48-603.01, 48-605,  
10 48-625, 48-648, 48-648.01, 48-654, 48-660.01, and 48-669, Reissue Revised  
11 Statutes of Nebraska, and section 48-663.01, Revised Statutes Cumulative  
12 Supplement, 2014, are repealed.