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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 3@ SCOPE OR COVERAGE

803-1 Elective Financing -Nonprofit Organizations, Public

Article 5@ ELECTIONS FOR FINANCING UNEMPLOYMENT INSURANCE COVERAGE

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Section 803-1@ Elective Financing -Nonprofit Organizations, Public Entities

Entities**(a)**

A nonprofit organization or public entity under Sections 702.1, 710, 801, and 802 of the code may elect to reimburse the cost of benefits paid pursuant to Section 803 of the code and subdivision (b) of this section, in lieu of contributions required of employers. As used in this section, "entity" means any such employing unit that is authorized by Sections 702.1, 710, 801, and 802 of the code to elect the cost of benefits paid method of financing permitted under Section 803 of the code.

(b)

An entity may elect to pay into the Unemployment Fund the cost of benefits (including extended duration benefits and federal-state extended benefits) paid based on base period wages with respect to employment for that entity and charged to its account in the manner provided by Section 1026 of the code. "The cost of benefits paid" means the proportion of the total amount of benefits paid to the claimant which the total wages paid to that claimant in his or her base period by that entity bears to the total wages paid to that claimant in employment by all employers in his or her base period. The director shall prepare an annual statement, which shall be a public record, calculating the maximum potential liability of any reimbursing public entity and of any nonprofit organization. The

federal government pays one-half the cost of federal-state extended benefits for reimbursing nonprofit organizations. Public entities bear the full cost of reimbursing federal-state extended benefits for weeks of unemployment on or after January 1, 1979.

(c)

An application for elective financing under subdivision (b) of Section 803 of the code may be made at the time an application is made for elective coverage under the code and shall be effective on the effective date of the elective coverage agreement, or may be made in any calendar quarter and shall take effect with respect to services performed from and after the first day of the calendar quarter in which the election is filed with the director, pursuant to Sections 801 and 802 of the code.

(d)

Except as provided in subdivisions (e) and (f) of this section and by subdivision (e) of Section 803 of the code, an approved elective financing agreement may not be amended or terminated until it has been in effect for not less than two full calendar years.

(e)

If an entity under an approved elective coverage agreement is succeeded in whole or in part by another entity, the successor, if it elects to continue the elective coverage agreement of the predecessor in accordance with the provisions of subdivision (d) of Section 702.1-1 or subdivision (d) of Section 710-1 of these regulations, may elect to continue the method of financing elected by the predecessor or may elect one of the methods of financing set forth in this section in lieu of paying contributions required of employers. If the successor is required to continue the elective coverage agreement of the predecessor in accordance

with the provisions of subdivision (d) of Section 702.1-1 or subdivision (d) of Section 710-1 of these regulations, the successor's elective financing agreement shall relate to the continued elective coverage agreement of the predecessor.

(f)

If an approved elective coverage agreement is terminated as provided in Section 705-1 or subdivision (c) or (d) of Section 702.1-1 or subdivision (c) or (d) of Section 710-1 of these regulations, any approved elective financing agreement shall also terminate upon the date of the termination of the elective coverage agreement to which the financing relates.