

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the District of Columbia Unemployment Compensation Act to clarify that the classification of employers required to participate in the District’s unemployment compensation system includes states and Indian tribes or any instrumentality of one or more of the aforementioned entities which is wholly-owned by one or more of the aforementioned entities, and to allow for, and determine the rate of, alternative unemployment compensation contributions by a government entity or instrumentality.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Unemployment Compensation Employer Classification Amendment Act of 2020”.

Sec. 2. The District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat 946; D.C. Official Code § 51-101 *et seq.*), is amended as follows:

(a) Section 1 (D.C. Official Code § 51-101) is amended as follows:

(1) Paragraph (2)(A) is amended as follows:

(A) Sub-subparagraph (ii) is amended to read as follows:

“(ii) Service performed after December 31, 1977, in the employ of the District or any state, or political subdivision thereof, or an Indian tribe; any instrumentality of one or more of the foregoing entities that is wholly owned by one or more of the foregoing entities; or any instrumentality of the District or one or more states, or political subdivisions thereof, to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 3301 of the Federal Unemployment Tax Act, approved August 16, 1954 (68A Stat. 439; 26 U.S.C. § 3301)) (“Unemployment Tax Act”); except, that it does not include service described in paragraph (2)(A)(iv) of this section or section 3309(b) of the Unemployment Tax Act (26 U.S.C. § 3309(b)), or to service exempted from compensation pursuant to section 3304(a)(6)(A) of the Unemployment Tax Act (26 U.S.C. § 3304(a)(6)(A)).”.

(B) Sub-subparagraph (iii) is amended to read as follows:

“(iii) Service performed after March 30, 1962, in the employ of an educational organization, and service performed after December 31, 1971, in the employ of a religious, charitable, or other organization described in section 501(c)(3) of the Internal Revenue

ENROLLED ORIGINAL

Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. § 501(c)(3)) (“Internal Revenue Code”), which is exempt from income tax under section 501(a) of the Internal Revenue Code (26 U.S.C. § 501(a)); except, that it does not include service described in paragraph (2)(A)(iv) of this section or section 3309(b) of the Unemployment Tax Act (26 U.S.C. § 3309(b)), or to service exempted from compensation pursuant to section 3304(a)(6)(A) of the Unemployment Tax Act (26 U.S.C. § 3304(a)(6)(A)).”.

(2) A new paragraph (27) is added to read as follows:

“(27) “Indian tribe” shall have the same meaning as provided in section 3306(u) of the Unemployment Tax Act (26 U.S.C. § 3306(u)).”.

(b) Section 3 (D.C. Official Code § 51-103) is amended as follows:

(1) Subsection (c)(2) is amended by adding a new subparagraph (G) to read as follows:

“(G) Federal Pandemic Unemployment Compensation benefits paid to an individual pursuant to section 2104 of the Coronavirus Aid, Relief, and Economic Security Act, approved March 27, 2020 (Pub. L. No. 116-136; 134 Stat. 318), shall not be charged against an employer’s account.”.

(2) Subsection (f) is amended as follows:

(A) Paragraph (1) is amended to read as follows:

“(1)(A) If the District elects to cover employees under this act under the provisions of section 1(2)(H)(i), or if any of its instrumentalities are required to be covered under this act, in lieu of contributions required of employers under this act, the District shall pay into the Fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by the District.

“(B) In lieu of contributions required of employers under this act, a government entity or instrumentality that would otherwise be liable for contributions pursuant to section 1(2)(A)(ii) may pay into the Fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by the government entity or instrumentality.

“(C) If benefits paid to an individual are based on wages paid by the District, or another government entity or instrumentality, and one or more other employers, the amount payable by the District or other government entity or instrumentality to the Fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual by the District or other government entity or instrumentality bears to the total amount of the base-period wages paid to the individual by all of his base-period employers.”.

(B) Paragraph (2) is amended as follows:

(i) Strike the phrase “and shall” and insert the phrase “and, with respect to the District, shall” in its place.

(ii) Strike the phrase “District of Columbia” both times it appears and insert the word “District” in its place.

(C) Paragraph (3) is amended as follows:

ENROLLED ORIGINAL

(i) Strike the phrase “District shall be” and insert the phrase “District or any government entity or instrumentality liable for contributions pursuant to section 1(2)(A)(ii) shall be” in its place.

(ii) Strike the phrase “paid to employees of the District” and insert the phrase “paid to its employees” in its place.

(iii) Strike the phrase “the District will be chargeable if it elects to pay contributions, or will” and insert the phrase “the District or any government entity or instrumentality liable for contributions pursuant to section 1(2)(A)(ii) shall be chargeable if it elects to pay contributions, or shall” in its place.

(iv) Strike the phrase “District.” and insert the phrase “District or respective governmental entity or instrumentality.” in its place.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia