

HOUSE No. 5684

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 3, 1972.

The committee on Commerce and Labor, to whom was referred the petition (accompanied by bill, House, No. 492) of Robert C. Buell and another relative to an assessment basis for computation for new employers within the Employment Security Law, report recommending that the accompanying bill (House, No. 5684) ought to pass.

For the committee,

ROBERT C. BUELL

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Two.

AN ACT RELATIVE TO AN ASSESSMENT BASIS FOR COMPUTATION
FOR NEW EMPLOYERS WITHIN THE EMPLOYMENT SECURITY LAW.

*Be it enacted by the Senate and House of Representatives in
General Court assembled, and by the authority of the same, as
follows:*

1 SECTION 1. Section 14 of chapter 151A of the General
2 Laws is hereby amended by striking out subsection (a), as
3 appearing in chapter 397 of the acts of 1953, and inserting in
4 place thereof the following subsection: —

5 (a) The following words and phrases as used in this section
6 shall have the following meanings, unless the context clearly
7 requires otherwise: —

8 (1) "Experience rate", the contribution rate which con-
9 forms to the reserve percentage of an employer's account
10 under subsection (i) of this section.

11 (2) "Reserve percentage", in relation to an employer's
12 account, the net balance of such account on a computation
13 date stated as a percentage of the employer's total taxable
14 payroll for the period of twelve consecutive months ending on
15 said computation date, and, in relation to the solvency
16 account, the balance of said account on a computation date, as
17 determined under subsection (f) of this section stated as a
18 percentage of the total taxable pay rolls reported by all
19 employers for the calendar year immediately preceding said
20 computation date.

21 (3) "Computation date", except as provided in subsection
22 (n) (4) of this section, the computation date will be September
23 thirtieth of each year.

1 SECTION 2. Section 14 of chapter 151A of the General
2 Laws is hereby further amended by adding after clause (9) of
3 subsection (i) the following clause: —

4 (10) Each employer newly subject to this chapter shall pay
5 contributions at the rate of 2 per cent until he or it has been an

6 employer for not less than the twelve consecutive months period
7 specified in subsection (b) (1); thereafter, his or its contribution
8 rate shall be determined in accordance with the preceding
9 provisions of this subsection.

10 For the purposes of this subsection, an employer newly
11 subjected to this chapter is one which was never previously
12 subject to this chapter or, if previously subject, ceased to be
13 subject under the provisions of section eleven and, in either case,
14 is not a transferee within the meaning of subsection (n) of this
15 section and is not newly subject under the provisions of
16 subsections (d), (e), (g), or (h) of section eight.

1 SECTION 3. This act shall take effect as of January first,
2 nineteen hundred and seventy-three.

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