



DOA:.....Humphry, BB0333 - Unemployment Insurance

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Increasing maximum weekly unemployment benefits

Under current law, a person who qualifies for unemployment insurance (UI) receives a weekly benefit rate equal to a percentage of that person's past earnings, but the weekly benefit rate is capped at \$370. This bill changes the maximum weekly benefit rate in the following ways:

1. For benefits paid for weeks of unemployment beginning on or after January 4, 2026, but before January 3, 2027, the maximum weekly benefit rate is capped at \$497.
2. For benefits paid for weeks of unemployment beginning on or after January 3, 2027, the maximum weekly benefit rate is increased based upon the change in the consumer price index and is then increased on the same basis annually thereafter.

Increasing unemployment insurance benefit wage cap

Under current law, a person who qualifies for UI is ineligible to receive any UI benefits for a week if the person receives or will receive wages or certain other earnings totalling more than \$500 (wage cap). This bill changes the wage cap in the following ways:

1. For weeks of unemployment beginning on or after January 4, 2026, but before January 3, 2027, the wage cap is increased to \$672.
2. For weeks of unemployment beginning on or after January 3, 2027, the wage cap is increased based upon the change in the consumer price index and is then increased on the same basis annually thereafter.

Unemployment insurance; substantial fault

Under current law, a claimant for UI benefits whose work is terminated by his or her employer for substantial fault by the claimant connected with the claimant's work is ineligible to receive UI benefits until the claimant satisfies certain requalification criteria. With certain exceptions, current law defines "substantial fault" to include those acts or omissions of a claimant over which the claimant exercised reasonable control and that violate reasonable requirements of the claimant's employer. This bill repeals this provision on substantial fault.

BILL***Unemployment insurance; misconduct***

Under current law, a claimant for UI benefits whose work is terminated by his or her employer for misconduct by the claimant connected with the claimant's work is ineligible to receive UI benefits until the claimant satisfies certain requalification criteria, and the claimant's wages paid by the employer that terminates the claimant for misconduct are excluded for purposes of calculating benefit entitlement. Current law defines "misconduct" using a general, common law standard derived from *Boynton Cab Co. v. Neubeck*, 237 Wis. 249 (1941), and enumerates several specific types of conduct that also constitute misconduct. Under one of these specific provisions, misconduct includes 1) absenteeism on more than two occasions within the 120-day period before the date of the claimant's termination, unless otherwise specified by his or her employer in an employment manual of which the claimant has acknowledged receipt with his or her signature, or 2) excessive tardiness by a claimant in violation of a policy of the employer that has been communicated to the claimant. In *Department of Workforce Development v. Labor and Industry Review Commission (Beres)*, 2018 WI 77, the supreme court held that an employer could, under the language described above, institute an attendance policy more restrictive than two occasions within the 120-day period.

Current law also provides that absenteeism or tardiness count as misconduct only if the claimant did not provide to his or her employer both notice and one or more valid reasons for the absenteeism or tardiness. In *Bevco Precision Manufacturing v. Labor and Industry Review Commission*, 2024 WI App. 54, the court of appeals held that under *Beres*, this qualifying language did not apply if an employer had adopted its own standard on absenteeism and tardiness, as described above.

The bill does all of the following:

1. Repeals the language referencing "excessive tardiness."
2. Reverses the holding in *Bevco* by providing that a claimant's notice and reason for an occasion of absenteeism or tardiness are to be analyzed under the common law misconduct standard. Under the bill, therefore, an employer may not establish its own policy for determining the reasonableness of absenteeism or tardiness. The bill does not, however, affect the general ability of an employer to institute a standard for absenteeism and tardiness more restrictive than two occasions within the 120-day period before termination.
3. Clarifies, in another provision defining misconduct, that "tribal government" has the meaning given under state and federal law for what is considered an Indian tribe.

Unemployment insurance; drug testing

Current state law requires DWD to establish a program to test certain claimants who apply for UI benefits for the presence of controlled substances in a manner that is consistent with federal law. A claimant who tests positive for a controlled substance for which the claimant does not have a prescription is ineligible for UI benefits until certain requalification criteria are satisfied or unless

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he or she enrolls in a substance abuse treatment program and undergoes a job skills assessment, and a claimant who declines to submit to a test is simply ineligible for benefits until he or she requalifies. This bill repeals the requirement to establish the drug testing program.

Also under current law, an employer may voluntarily submit to DWD the results of a preemployment test for the presence of controlled substances that was conducted on an individual as a condition of an offer of employment or notify DWD that an individual declined to submit to such a test. If DWD then verifies that submission, the employee may be ineligible for UI benefits until he or she requalifies. However, a claimant who tested positive may maintain eligibility by enrolling in a substance abuse treatment program and undergoing a job skills assessment. This bill repeals these preemployment drug testing provisions.

Unemployment insurance; acceptance of suitable work

Under current law, if a claimant for UI benefits fails, without good cause, to accept suitable work when offered, the claimant is ineligible to receive benefits until he or she earns wages after the week in which the failure occurs equal to at least six times the claimant's weekly UI benefit rate in covered employment. Current law specifies what is considered "suitable work" for purposes of these provisions, with different standards applying depending on whether six weeks have elapsed since the claimant became unemployed. Once six weeks have elapsed since the claimant became unemployed, the claimant is required to accept work that pays lower and involves a lower grade of skill.

This bill modifies these provisions described above so that the claimant is not required to accept less favorable work until *10 weeks* have elapsed since the claimant became unemployed.

Unemployment insurance; quits due to nonsuitable work

Under current law, unless an exception applies, if a claimant for UI benefits quits his or her job, the claimant is generally ineligible to receive UI benefits until he or she qualifies through subsequent employment. Under one such exception, if a claimant quits his or her job and 1) the claimant accepted work that was not suitable work under the UI law or work that the claimant could have refused; and 2) the claimant terminated the work within 30 calendar days after starting the work, the claimant remains eligible to collect UI benefits. Under the bill, this exemption applies if the claimant terminated that work within *10 weeks* after starting the work.

Unemployment insurance; waiting period

Currently, a claimant must wait one week after becoming eligible to receive UI benefits before the claimant may receive benefits for a week of unemployment, except for periods during which the waiting period is suspended. The waiting period does not affect the maximum number of weeks of a claimant's benefit eligibility.

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This bill deletes the one-week waiting period, thus permitting a claimant to receive UI benefits beginning with his or her first week of eligibility.

Unemployment insurance; work search and registration

Under current law, a claimant for UI benefits is generally required to register for work and to conduct a work search for each week in order to remain eligible. Current law requires DWD to waive these requirements under certain circumstances, for example, if a claimant who is laid off from work reasonably expects to be recalled to work within 12 weeks, will start a new job within four weeks, routinely obtains work through a labor union referral, or is participating in a training or work share program. Under current law, DWD may modify the statutory waivers or establish additional waivers by rule only if doing so is required or specifically allowed by federal law.

The bill removes the waiver requirements from statute and instead allows DWD to establish waivers for the registration for work and work search requirements by rule. DWD may establish a waiver by emergency rule if the secretary of workforce development determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted, and the bill allows the secretary to extend the emergency rule for up to 60 days at a time. Also, the bill specifies that the work search requirement does not apply to a claimant who has been laid off but DWD determines that the claimant has a reasonable expectation to be recalled to work.

Unemployment insurance; social security disability insurance payments

Under current law, in any week in any month that a claimant is issued a benefit under the federal Social Security Disability Insurance program (SSDI payment), that claimant is ineligible for UI benefits. This bill repeals that prohibition and instead requires DWD to reduce a claimant's UI benefit payments by the amount of SSDI payments. The bill requires DWD to allocate a monthly SSDI payment by allocating to each week the fraction of the payment attributable to that week.

Unemployment insurance; quits due to relocations

Under current law, unless an exception applies, if an individual quits his or her job, the individual is generally ineligible to receive UI benefits until he or she qualifies through subsequent employment.

Under one such exception, if the employee's spouse is a member of the U.S. armed forces on active duty and is relocated, and the employee quits his or her job in order to relocate with his or her spouse, the employee remains eligible to collect UI benefits. This bill expands this exception so that it applies to an employee who quits employment in order to relocate with a spouse who is required by any employer, not just the U.S. armed forces, to relocate.

Unemployment insurance; electronic communications

Currently, with certain exceptions, each employer that has employees who are engaged in employment covered by the UI law must file quarterly contribution (tax)

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and employment and wage reports and make quarterly contribution payments to DWD. An employer of 25 or more employees or an employer agent that files reports on behalf of any employer must file its reports electronically. Current law also requires each employer that makes contributions for any 12-month period ending on June 30 equal to a total of at least \$10,000 to make all contribution payments electronically in the following year. Finally, current law allows DWD to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that, upon request to and with prior approval by DWD, may be used for transmission or receipt of any document specified by DWD that is related to the administration of the UI law in lieu of any other means of submission or receipt.

The bill makes use of these electronic methods mandatory in all cases unless the employer or other person demonstrates good cause for being unable to use the electronic method. The bill specifies what constitutes good cause for purposes of these provisions. The bill also makes various corresponding changes to penalty provisions that apply in the case of nonuse of these required electronic methods. The bill further provides that DWD may permit the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the UI law.

Worker's compensation; substantial fault

Currently, under the worker's compensation law, an employer is not liable for temporary disability benefits during an employee's healing period if the employee is suspended or terminated from employment due to misconduct by the employee connected with the employee's work. Current law defines "misconduct" by reference to the UI law. This bill changes the definition of "misconduct" under the UI law, which change also applies for purposes of the worker's compensation law as described above.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.445 (1) (aL) of the statutes is repealed.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.445 (1) (am) of the statutes is created to read:

20.445 (1) (am) *Unemployment insurance; general administration.* As a

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continuing appropriation, the amounts in the schedule for administration of ch. 108.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 102.43 (9) (e) of the statutes is amended to read:

102.43 (9) (e) The employee's employment with the employer has been suspended or terminated due to misconduct, as defined in s. 108.04 (5), ~~or substantial fault, as defined in s. 108.04 (5g) (a)~~, by the employee connected with the employee's work.

SECTION 4. 108.02 (26m) of the statutes is repealed.

SECTION 5. 108.022 of the statutes is created to read:

108.022 Electronic payments and filings; good cause. For purposes of requirements to use electronic filing, payment, or interchange methods specified under ss. 108.14 (2e), 108.17 (2b) and (7) (a), 108.185, and 108.205 (2), good cause for not using such method includes all of the following, as determined by the department:

(1) Having limited or no Internet access.

(2) Having digital literacy limitations.

(3) Having communication barriers, such as having a vision or other disability that prevents the ease of using the electronic method or having limited or no English proficiency.

(4) The presence of other circumstances that make use of the electronic method unusually difficult for the person, as determined by the department.

SECTION 6. 108.04 (2) (a) (intro.) of the statutes is amended to read:

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108.04 (2) (a) (intro.) Except as provided in ~~pars. par. (b) to (bd)~~, sub. (16) (am) and (b), and s. 108.062 (10) and (10m) and as otherwise expressly provided, a claimant is eligible for benefits as to any given week only if all of the following apply:

SECTION 7. 108.04 (2) (a) 3. of the statutes is repealed and recreated to read:

108.04 (2) (a) 3. The claimant conducts a reasonable search for suitable work during that week and provides verification of that search to the department. The search for suitable work must include at least 4 actions per week that constitute a reasonable search as prescribed by rule of the department. In addition, the department may, by rule, require a claimant to take more than 4 reasonable work search actions in any week. The department shall require a uniform number of reasonable work search actions for similar types of claimants. This subdivision does not apply to a claimant if the department determines that the claimant is currently laid off from employment with an employer but there is a reasonable expectation of reemployment of the individual by that employer. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the department shall request the employer to verify the claimant's employment status and shall consider all of the following:

- a. The history of layoffs and reemployments by the employer.
- b. Any information that the employer furnished to the claimant or the department concerning the claimant's anticipated reemployment date.
- c. Whether the claimant has recall rights with the employer under the terms of any applicable collective bargaining agreement.

SECTION 8. 108.04 (2) (b) of the statutes is repealed and recreated to read:

BILL**SECTION 8**

108.04 (2) (b) 1. The department may, by rule, establish waivers from the registration for work requirement under par. (a) 2. and the work search requirement under par. (a) 3.

2. a. The department may promulgate rules under subd. 1. as emergency rules, using the procedure under s. 227.24, if the secretary of workforce development determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted. Notwithstanding s. 227.24 (1) (a) and (3), the department is not required to provide evidence that promulgating a rule under this subd. 2. a. as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subd. 2. a. Except as provided under subd. 2. b., a rule promulgated under this subd. 2. a. remains in effect only for 150 days.

b. Notwithstanding s. 227.24 (2), the secretary of workforce development may extend the effective period of an emergency rule promulgated under subd. 2. a. for a period specified by the secretary not to exceed 60 days. Any number of extensions may be granted under this subd. 2. b. Whenever the secretary extends an emergency rule under this subd. 2. b., it shall file a statement of its action with the legislative reference bureau. The statement shall identify the specific emergency rule to which it relates.

****NOTE: Please review this to ensure it conforms with your intent. Under current law and practice, the Joint Committee for Review of Administrative Rules has the authority to extend emergency rules for up to 120 days, usually consisting of two 60-day extensions. I read your instructions to mean you wanted the department to have the authority to extend an emergency rule, and not JCRAR, and that you didn't want to limit extensions to 120 days. If that is not correct, let me know.

SECTION 9. 108.04 (2) (bb) of the statutes is repealed.

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SECTION 10. 108.04 (2) (bd) of the statutes is repealed.

SECTION 11. 108.04 (2) (bm) of the statutes is amended to read:

108.04 (2) (bm) A claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to comply with the registration for work and work search requirements under par. (a) 2. or 3. or failed to provide verification to the department that the claimant complied with those requirements, unless the department has waived those requirements under par. (b), ~~(bb), or (bd)~~ or s. 108.062 (10m). If the department has paid benefits to a claimant for any such week, the department may recover the overpayment under s. 108.22.

SECTION 12. 108.04 (2) (h) of the statutes is amended to read:

108.04 (2) (h) A claimant shall, when the claimant first files a claim for benefits under this chapter and during each subsequent week the claimant files for benefits under this chapter, inform the department whether he or she is receiving social security disability insurance payments, as defined in ~~sub. (12) (f) 2m s.~~ 108.05 (7m) (b). If the claimant is receiving social security disability insurance payments, the claimant shall, in the manner prescribed by the department, report to the department the amount of the social security disability insurance payments.

SECTION 13. 108.04 (3) of the statutes is repealed.

SECTION 14. 108.04 (5) (intro.) of the statutes is renumbered 108.04 (5) (cm) and amended to read:

108.04 (5) (cm) An employee whose work is terminated by an employing unit for misconduct by the employee connected with the employee's work is ineligible to

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receive benefits until 7 weeks have elapsed since the end of the week in which the discharge occurs and the employee earns wages after the week in which the discharge occurs equal to at least 14 times the employee's weekly benefit rate under s. 108.05 (1) in employment or other work covered by the unemployment insurance law of any state or the federal government. For purposes of requalification, the employee's weekly benefit rate shall be the rate that would have been paid had the discharge not occurred. The wages paid to an employee by an employer which terminates employment of the employee for misconduct connected with the employee's employment shall be excluded from the employee's base period wages under s. 108.06 (1) for purposes of benefit entitlement. ~~This subsection~~ paragraph does not preclude an employee who has employment with an employer other than the employer which terminated the employee for misconduct from establishing a benefit year using the base period wages excluded under this ~~subsection~~ paragraph if the employee qualifies to establish a benefit year under s. 108.06 (2) (a). The department shall charge to the fund's balancing account any benefits otherwise chargeable to the account of an employer that is subject to the contribution requirements under ss. 108.17 and 108.18 from which base period wages are excluded under this ~~subsection~~ paragraph.

(am) For purposes of this subsection, "misconduct" means one or more actions or conduct evincing such willful or wanton disregard of an employer's interests as is found in deliberate violations or disregard of standards of behavior which an employer has a right to expect of his or her employees, or in carelessness or negligence of such degree or recurrence as to manifest culpability, wrongful intent, or evil design of equal severity to such disregard, or to show an intentional and

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substantial disregard of an employer's interests, or of an employee's duties and obligations to his or her employer.

(bm) In addition to the conduct described in par. (am), "misconduct" includes all of the following:

SECTION 15. 108.04 (5) (a) to (g) of the statutes are renumbered 108.04 (5) (bm) 1. to 7., and 108.04 (5) (bm) 5. and 7., as renumbered, are amended to read:

108.04 (5) (bm) 5. Absenteeism by an employee on more than 2 occasions within the 120-day period before the date of the employee's termination, unless otherwise specified by his or her employer in an employment manual of which the employee has acknowledged receipt with his or her signature, ~~or excessive tardiness by an employee in violation of a policy of the employer that has been communicated to the employee,~~ if the employee does not provide to his or her employer both notice and one or more valid reasons for the absenteeism ~~or tardiness.~~ For purposes of this subdivision, an employee's notice and reason for an occasion of absenteeism or tardiness shall be analyzed under the standard specified in par. (am).

****NOTE: Please review this as I wasn't quite sure if this is what was meant. Because I struck the "excessive tardiness" language per the instructions, I also struck the reference to "tardiness" at the end of that sentence because the language then does not otherwise reference tardiness. Let me know if that's not the intent.

7. Unless directed by the employer, a willful and deliberate violation of a written and uniformly applied standard or regulation of the federal government or a state or Indian tribal government by an employee of an employer that is licensed or certified by a governmental agency, which standard or regulation has been communicated by the employer to the employee and which violation would cause the employer to be sanctioned or to have its license or certification suspended by the agency.

BILL**SECTION 16**

SECTION 16. 108.04 (5g) of the statutes is repealed.

SECTION 17. 108.04 (7) (e) of the statutes is amended to read:

108.04 (7) (e) Paragraph (a) does not apply if the department determines that the employee accepted work that the employee could have failed to accept under sub. (8) and terminated the work on the same grounds and within the first ~~30 calendar days~~ 10 weeks after starting the work, or that the employee accepted work that the employee could have refused under sub. (9) and terminated the work within the first ~~30 calendar days~~ 10 weeks after starting the work. For purposes of this paragraph, an employee has the same grounds for voluntarily terminating work if the employee could have failed to accept the work under sub. (8) (d) to (em) when it was offered, regardless of the reason articulated by the employee for the termination.

SECTION 18. 108.04 (7) (t) 1. of the statutes is repealed.

SECTION 19. 108.04 (7) (t) 2. of the statutes is amended to read:

108.04 (7) (t) 2. The employee's spouse was required by ~~the U.S. armed forces~~ his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

SECTION 20. 108.04 (8) (a) of the statutes is amended to read:

108.04 (8) (a) ~~Except as provided in par. (b), if~~ If an employee fails, without good cause, to accept suitable work when offered, the employee is ineligible to receive benefits until the employee earns wages after the week in which the failure occurs equal to at least 6 times the employee's weekly benefit rate under s. 108.05 (1) in employment or other work covered by the unemployment insurance law of any

BILL**SECTION 20**

state or the federal government. For purposes of requalification, the employee's weekly benefit rate shall be that rate which would have been paid had the failure not occurred. This paragraph does not preclude an employee from establishing a benefit year during a period in which the employee is ineligible to receive benefits under this paragraph if the employee qualifies to establish a benefit year under s. 108.06 (2) (a). ~~Except as provided in par. (b), the~~ The department shall charge to the fund's balancing account any benefits otherwise chargeable to the account of an employer that is subject to the contribution requirements under ss. 108.17 and 108.18 whenever an employee of that employer fails, without good cause, to accept suitable work offered by that employer.

SECTION 21. 108.04 (8) (b) of the statutes is repealed.

SECTION 22. 108.04 (8) (d) (intro.) of the statutes is amended to read:

108.04 (8) (d) (intro.) With respect to the first ~~6~~ 10 weeks after the employee became unemployed, "suitable work," for purposes of par. (a), means work to which all of the following apply:

SECTION 23. 108.04 (8) (dm) of the statutes is amended to read:

108.04 (8) (dm) With respect to the ~~7th~~ 11th week after the employee became unemployed and any week thereafter, "suitable work," for purposes of par. (a), means any work that the employee is capable of performing, regardless of whether the employee has any relevant experience or training, that pays wages that are above the lowest quartile of wages for similar work in the labor market area in which the work is located, as determined by the department.

SECTION 24. 108.04 (11) (bm) of the statutes is amended to read:

BILL**SECTION 24**

108.04 (11) (bm) The department shall apply any ineligibility under par. (be) against benefits and weeks of eligibility for which the claimant would otherwise be eligible after the week of concealment and within 6 years after the date of an initial determination issued under s. 108.09 finding that a concealment occurred. ~~The claimant shall not receive waiting period credit under sub. (3) for the period of ineligibility applied under par. (be).~~ If no benefit rate applies to the week for which the claim is made, the department shall use the claimant's benefit rate for the claimant's next benefit year beginning after the week of concealment to determine the amount of the benefit reduction.

SECTION 25. 108.04 (12) (f) 1m. and 2m. of the statutes are renumbered 108.05 (7m) (a) and (b) and amended to read:

108.05 (7m) (a) The intent of the legislature in enacting this ~~paragraph~~ subsection is to prevent the payment of duplicative government benefits for the replacement of lost earnings or income, regardless of an individual's ability to work.

(b) In this ~~paragraph~~ subsection, "social security disability insurance payment" means a payment of social security disability insurance benefits under [42 USC ch. 7](#) subch. II.

SECTION 26. 108.04 (12) (f) 3. of the statutes is repealed.

SECTION 27. 108.04 (12) (f) 4. of the statutes is renumbered 108.05 (7m) (e).

SECTION 28. 108.05 (1) (cm) of the statutes is created to read:

108.05 (1) (cm) For purposes of par. (r), the department shall set the maximum weekly benefit amount as follows:

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1. For benefits paid for a week of total unemployment that commences on or after January 5, 2014, but before January 4, 2026, \$370.

2. For benefits paid for a week of total unemployment that commences on or after January 4, 2026, but before January 3, 2027, \$497.

3. For benefits paid for a week of total unemployment that commences on or after January 3, 2027, the department shall set the maximum weekly benefit amount as provided under sub. (2).

SECTION 29. 108.05 (1) (r) of the statutes is renumbered 108.05 (1) (r) (intro.) and amended to read:

108.05 (1) (r) (intro.) Except as provided in s. 108.062 (6) (a), each eligible employee shall be paid benefits for each week of total unemployment ~~that commences on or after January 5, 2014,~~ at the a weekly benefit rate ~~specified in this paragraph.~~ ~~Unless sub. (1m) applies, the weekly benefit rate shall equal to 4 percent of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages, rounded down to the nearest whole dollar, except that, if that amount as provided under sub. (1m) and except as follows:~~

1. If the employee's weekly benefit rate calculated under this paragraph is less than \$54, no benefits are payable to the employee and, if that amount,

****NOTE: Do you also want to index the minimum in a similar manner as the maximum?

2. If the employee's weekly benefit rate is more than \$370 the maximum weekly benefit amount specified in par. (cm), the employee's weekly benefit rate

BILL**SECTION 29**

shall be ~~\$370 and except that~~, if the maximum weekly benefit amount specified in par. (cm).

3. If the employee's benefits are exhausted during any week under s. 108.06 (1), the employee shall be paid the remaining amount of benefits payable to the employee under s. 108.06 (1).

(s) The department shall publish on its Internet site a weekly benefit rate schedule of quarterly wages and the corresponding weekly benefit rates as calculated in accordance with this ~~paragraph~~ subsection.

SECTION 30. 108.05 (2) of the statutes is created to read:

108.05 (2) INDEXING. (a) For benefits paid or payable for a week that commences on or after January 3, 2027, the department shall set the maximum weekly benefit amount under sub. (1) (cm) 3. and the wage limitation under sub. (3) (dm) 2. c. by doing the following:

1. Except as provided in subd. 2., calculating the percentage difference between the consumer price index for the 12-month period ending on July 31 of the prior year and the consumer price index for the 12-month period ending on July 31 of the year before the prior year, adjusting the prior year's amount or limitation by that percentage difference, and rounding that result to the nearest whole dollar.

2. If the consumer price index for the 12-month period ending on July 31 of the prior year has not increased over the consumer price index for the 12-month period ending on July 31 of the year before the prior year, setting the amount or limitation at the same amount or limitation that was in effect in the previous year.

(b) An adjustment under this subsection of the maximum weekly benefit

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amount under sub. (1) (cm) 3. and the wage limitation under sub. (3) (dm) 2. c. shall take effect on the 1st Sunday in January of each calendar year.

SECTION 31. 108.05 (3) (dm) of the statutes is renumbered 108.05 (3) (dm) 1. and amended to read:

108.05 (3) (dm) 1. Except when otherwise authorized in an approved work-share program under s. 108.062, a claimant is ineligible to receive any benefits for a week if the claimant receives or will receive from one or more employers wages earned for work performed in that week, amounts treated as wages under s. 108.04 (1) (bm) for that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, or payments treated as wages under s. 108.04 (12) (e), or any combination thereof, totalling more than ~~\$500~~ the amount specified in subd. 2.

****NOTE: The instructions said to change partial unemployment benefits to ensure a corresponding benefit level is available under s. 108.05 (3) (c) and (3) (dm). I took that to mean that you wanted to similarly index the \$500 wage cap under s. 108.05 (3) (dm), so I provided for corresponding increases of that amount, but I am not sure if this is what was meant.

SECTION 32. 108.05 (3) (dm) 2. of the statutes is created to read:

108.05 (3) (dm) 2. The department shall set the wage limitation under subd. 1. as follows:

- a. For a week of unemployment that commences before January 4, 2026, \$500.
- b. For a week of unemployment that commences on or after January 4, 2026, but before January 3, 2027, \$672.
- c. For a week of unemployment that commences on or after January 3, 2027, the department shall set the wage limitation as provided under sub. (2).

SECTION 33. 108.05 (7m) (title), (c) and (d) of the statutes are created to read:

108.05 (7m) (title) SOCIAL SECURITY DISABILITY INSURANCE PAYMENTS.

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(c) If a monthly social security disability insurance payment is issued to a claimant, the department shall reduce benefits otherwise payable to the claimant for a given week in accordance with par. (d). This subsection does not apply to a lump sum social security disability insurance payment in the nature of a retroactive payment or back pay.

(d) The department shall allocate a monthly social security disability insurance payment by allocating to each week the fraction of the payment attributable to that week.

SECTION 34. 108.05 (9) of the statutes is amended to read:

108.05 (9) ROUNDING OF BENEFIT AMOUNTS. Notwithstanding sub. (1), benefits payable for a week of unemployment as a result of applying sub. (1m), (3) ~~or, (7), or (7m)~~ or s. 108.04 (11) or (12), 108.06 (1), 108.13 (4) or (5) or 108.135 shall be rounded down to the next lowest dollar.

SECTION 35. 108.05 (10) (intro.) of the statutes is amended to read:

108.05 (10) DEDUCTIONS FROM BENEFIT PAYMENTS. (intro.) After calculating the benefit payment due to be paid for a week under subs. (1) to ~~(7)~~ (7m), the department shall make deductions from that payment to the extent that the payment is sufficient to make the following payments in the following order:

SECTION 36. 108.133 of the statutes, as affected by 2025 Wisconsin Act ... (this act), is repealed.

****NOTE: This is reconciled s. 108.133. This SECTION has been affected by drafts with the following LRB numbers: LRB-1506/P2 and LRB-1186/P4.

SECTION 37. 108.14 (2e) of the statutes is amended to read:

108.14 (2e) The department ~~may~~ shall provide a secure means of electronic

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interchange between itself and employing units, claimants, and other persons that, ~~upon request to and with prior approval by the department, may~~ shall be used for departmental transmission or receipt of any document specified by the department that is related to the administration of this chapter and related federal programs in lieu of any other means of submission or receipt specified in this chapter. The secure means of electronic interchange shall be used by employing units, claimants, and other persons unless the person demonstrates good cause, as specified in s. 108.022, for being unable to use the secure means of electronic interchange. Subject to s. 137.25 (2) and any rules promulgated thereunder, the department may permit the use of electronic records and electronic signatures for any document specified by the department that is related to the administration of this chapter. If a due date is established by statute for the receipt of any document that is submitted electronically to the department under this subsection, then that submission is timely only if the document is submitted by midnight of the statutory due date.

SECTION 38. 108.14 (8n) (e) of the statutes is amended to read:

108.14 **(8n)** (e) The department shall charge this state's share of any benefits paid under this subsection to the account of each employer by which the employee claiming benefits was employed in the applicable base period, in proportion to the total amount of wages he or she earned from each employer in the base period, except that if s. 108.04 (1) (f), (5), (5g), (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) ~~to~~ and (c); or 108.07 (3), (3r), or (5) (am) 2., ~~or 108.133 (3) (f)~~ would have applied to employment by such an employer who is subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on employment with that employer to the fund's balancing account,

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or, if s. 108.04 (1) (f), (5), or (5g) or 108.07 (3) would have applied to an employer that is not subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on that employment in accordance with s. 108.07 (5) (am) 1. and 2. The department shall also charge the fund's balancing account with any other state's share of such benefits pending reimbursement by that state.

SECTION 39. 108.14 (8n) (e) of the statutes, as affected by 2025 Wisconsin Act (this act), is amended to read:

108.14 **(8n)** (e) The department shall charge this state's share of any benefits paid under this subsection to the account of each employer by which the employee claiming benefits was employed in the applicable base period, in proportion to the total amount of wages he or she earned from each employer in the base period, except that if s. 108.04 (1) (f), (5), ~~(5g)~~, (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) and (c) or 108.07 (3), (3r), or (5) (am) 2. would have applied to employment by such an employer who is subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on employment with that employer to the fund's balancing account, or, if s. 108.04 (1) (f), or (5), ~~or (5g)~~ or 108.07 (3) would have applied to an employer that is not subject to the contribution requirements of ss. 108.17 and 108.18, the department shall charge the share of benefits based on that employment in accordance with s. 108.07 (5) (am) 1. and 2. The department shall also charge the fund's balancing account with any other state's share of such benefits pending reimbursement by that state.

SECTION 40. 108.141 (7) (a) of the statutes is amended to read:

108.141 **(7)** (a) The department shall charge the state's share of each week of

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extended benefits to each employer's account in proportion to the employer's share of the total wages of the employee receiving the benefits in the employee's base period, except that if the employer is subject to the contribution requirements of ss. 108.17 and 108.18 the department shall charge the share of extended benefits to which s. 108.04 (1) (f), (5), (5g), (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) ~~to and (c); or~~ 108.07 (3), (3r), or (5) (am) 2., ~~or 108.133 (3) (f)~~ applies to the fund's balancing account.

SECTION 41. 108.141 (7) (a) of the statutes, as affected by 2025 Wisconsin Act ... (this act), is amended to read:

108.141 (7) (a) The department shall charge the state's share of each week of extended benefits to each employer's account in proportion to the employer's share of the total wages of the employee receiving the benefits in the employee's base period, except that if the employer is subject to the contribution requirements of ss. 108.17 and 108.18 the department shall charge the share of extended benefits to which s. 108.04 (1) (f), (5), (5g), (7) (a), (c), (cg), (e), (L), (q), (s), or (t), (7m), or (8) (a) and (c) or 108.07 (3), (3r), or (5) (am) 2. applies to the fund's balancing account.

SECTION 42. 108.16 (6m) (a) of the statutes is amended to read:

108.16 (6m) (a) The benefits thus chargeable under sub. (7) (a) or (b) or s. 108.04 (1) (f), (5), (5g), (7) (u), (7m), (8) (a) ~~to and~~ (c), (13) (c) or (d) or (16) (e), 108.07 (3), (3r), (5) (am) 2. and (bm) 3. a., (5m), and (6), ~~108.133 (3) (f)~~, 108.14 (8n) (e), 108.141, 108.15, 108.151, or 108.152.

SECTION 43. 108.16 (6m) (a) of the statutes, as affected by 2025 Wisconsin Act ... (this act), is amended to read:

108.16 (6m) (a) The benefits thus chargeable under sub. (7) (a) or (b) or s.

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108.04 (1) (f), (5), ~~(5g)~~, (7) (u), (7m), (8) (a) and (c), (13) (c) or (d) or (16) (e), 108.07 (3), (3r), (5) (am) 2. and (bm) 3. a., (5m), and (6), 108.14 (8n) (e), 108.141, 108.15, 108.151, or 108.152.

SECTION 44. 108.17 (2) of the statutes is amended to read:

108.17 (2) (a) Except as provided in par. (b) and subject to sub. (2b) and s. 108.185, every employer that is subject to a contribution requirement shall file quarterly reports of contributions required under this chapter with the department, and pay contributions to the department, in such manner as the department prescribes. Each contribution report and payment is due at the close of the month next following the end of the applicable calendar quarter, except as authorized in sub. (2c) or as the department may assign a later due date pursuant to sub. (1m) or general department rules.

(b) The department may electronically provide a means whereby an employer that files its employment and wage reports electronically may determine the amount of contributions due for payment by the employer under s. 108.18 for each quarter. If an employer that is subject to a contribution requirement files its employment and wage reports under s. 108.205 (1) electronically, in the manner prescribed by the department ~~for purposes of this paragraph~~ under s. 108.205 (2), the department may require the employer to determine electronically the amount of contributions due for payment by the employer under s. 108.18 for each quarter. In such case, the employer is excused from filing contribution reports under par. (a). The employer shall pay the amount due for each quarter by the due date specified in par. (a).

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SECTION 45. 108.17 (2b) of the statutes is amended to read:

108.17 **(2b)** The department shall prescribe a form and methodology for filing contribution reports under sub. (2) electronically. Each employer of ~~25 or more~~ employees, ~~as determined under s. 108.22 (1) (ac), that does not use an~~ and employer agent ~~to file its contribution reports under this section~~ shall file its contribution reports electronically in the manner and form prescribed by the department. ~~Each employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to a reporting requirement under this subsection, it shall continue to file its reports under this subsection unless that requirement is waived by the department unless the employer demonstrates good cause, as specified in s. 108.022, for being unable to file contribution reports electronically.~~

SECTION 46. 108.17 (2g) of the statutes is repealed.

SECTION 47. 108.17 (7) of the statutes is repealed.

SECTION 48. 108.185 of the statutes is created to read:

108.185 Payment of contributions and reimbursements; good cause.

Each employer, employer agent, person liable under s. 108.22 (9), and private agency liable under s. 108.22 (10) shall pay all contributions, reimbursements, interest, penalties, assessments, and other amounts due under this chapter by means of electronic funds transfer or another electronic method as approved by the department unless the employer, employer agent, person, or private agency

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demonstrates good cause, as specified in s. 108.022, for being unable to pay such amounts electronically.

SECTION 49. 108.19 (1s) (a) 5. of the statutes is repealed.

SECTION 50. 108.205 (1m) of the statutes is repealed.

SECTION 51. 108.205 (2) of the statutes is amended to read:

108.205 (2) Each employer ~~of 25 or more employees, as determined under s. 108.22 (1) (ae), that does not use an employer agent to file its reports under this section~~ and employer agent shall file the quarterly report under sub. (1) electronically in the manner and form prescribed by the department. ~~An employer that becomes subject to an electronic reporting requirement under this subsection shall file its initial report under this subsection for the quarter during which the employer becomes subject to the reporting requirement. Once an employer becomes subject to the reporting requirement under this subsection, the employer shall continue to file its quarterly reports under this subsection unless that requirement is waived by the department~~ unless the employer demonstrates good cause, as specified in s. 108.022, for being unable to file reports electronically.

SECTION 52. 108.22 (1) (ac) of the statutes is amended to read:

108.22 (1) (ac) In addition to any fee assessed under par. (a), the department may assess an employer or employer agent that is subject to the reporting requirement under s. 108.205 (2) and that fails to file its report in the manner and form prescribed under that subsection a penalty of \$20 for each employee whose information is not reported in the that manner and form ~~prescribed under s. 108.205 (1m) (b) or (2).~~

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SECTION 53. 108.22 (1) (ad) 1. of the statutes is amended to read:

108.22 (1) (ad) 1. An employer agent that is subject to the reporting requirements under s. 108.17 ~~(2g)~~ (2b) and that fails to file a contribution report in accordance with s. 108.17 ~~(2g)~~ (2b) may be assessed a penalty by the department in the amount of \$25 for each employer whose report is not filed electronically in the manner and form prescribed by the department.

SECTION 54. 108.22 (1) (af) of the statutes is amended to read:

108.22 (1) (af) In addition to the fee assessed under par. (a), the department may assess ~~an employer or employer agent~~ a person that is ~~subject to a requirement required~~ to make ~~contributions~~ a payment to the department by means of an electronic ~~funds transfer method~~ method under s. ~~108.17 (7)~~ 108.185 and that ~~pays contributions~~ makes the payment by any method inconsistent with s. ~~108.17 (7)~~ 108.185 a penalty of the greater of \$50 or an amount equal to one-half of ~~one~~ 1 percent of the total ~~contributions~~ amount paid by the ~~employer or employer agent~~ person for the quarter in which the violation occurs.

SECTION 55. 227.01 (13) (n) of the statutes is amended to read:

227.01 (13) (n) Fixes or approves rates, prices or charges, including a maximum weekly benefit amount or wage limitation under s. 108.05 (2), unless a statute specifically requires them to be fixed or approved by rule.

SECTION 9150. Nonstatutory provisions; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; ELECTRONIC COMMUNICATIONS. The department of workforce development shall submit to the legislative reference bureau for publication in the Wisconsin administrative register a notice indicating

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the date upon which the department is able to implement the treatment of s. 108.14 (2e).

SECTION 9350. Initial applicability; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; SSDI PAYMENTS. The treatment of ss. 108.04 (2) (h) and (12) (f) 1m., 2m., 3., and 4. and 108.05 (7m) (title), (c), and (d), (9), and (10) (intro.) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(2) UNEMPLOYMENT INSURANCE; DELETION OF WAITING PERIOD. The treatment of ss. 108.02 (26m) and 108.04 (3) and (11) (bm) first applies to benefit years beginning on the effective date of this subsection.

(3) UNEMPLOYMENT INSURANCE; SUBSTANTIAL FAULT. The treatment of ss. 108.04 (5g) and 108.16 (6m) (a) (by SECTION 43) first applies with respect to determinations issued under s. 108.09 on the effective date of this subsection.

(4) UNEMPLOYMENT INSURANCE; WORK SEARCH AND REGISTRATION WAIVERS. The treatment of s. 108.04 (2) (a) (intro.) and 3., (b), (bb), (bd), and (bm) first applies to initial claims for benefits filed on the effective date of this subsection.

(5) UNEMPLOYMENT INSURANCE; QUILTS DUE TO RELOCATIONS. The treatment of s. 108.04 (7) (t) 1. and 2. first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(6) UNEMPLOYMENT INSURANCE; QUILTS FOR CERTAIN WORK. The treatment of s. 108.04 (7) (e) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(7) UNEMPLOYMENT INSURANCE; SUITABLE WORK. The treatment of s. 108.04

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(8) (d) (intro.) and (dm) first applies to determinations issued under s. 108.09 on the effective date of this subsection.

(8) UNEMPLOYMENT INSURANCE; DRUG TESTING. The treatment of ss. 108.04 (8) (b) and 108.133 (4) (a) first applies to initial claims for benefits filed on the effective date of this subsection.

(9) UNEMPLOYMENT INSURANCE; MISCONDUCT. The treatment of s. 108.04 (5) (intro.) and (a) to (g) first applies with respect to determinations issued under s. 108.09 on the effective date of this subsection.

SECTION 9450. Effective dates; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; SSDI PAYMENTS. The treatment of ss. 108.04 (2) (h) and (12) (f) 1m., 2m., 3., and 4. and 108.05 (7m) (title), (c), and (d), (9), and (10) (intro.) and SECTION 9350 (1) of this act take effect on the first Sunday of the 7th month beginning after publication.

(2) UNEMPLOYMENT INSURANCE; DELETION OF WAITING PERIOD. The treatment of ss. 108.02 (26m) and 108.04 (3) and (11) (bm) and SECTION 9350 (2) of this act take effect on the Sunday after publication.

(3) UNEMPLOYMENT INSURANCE AND WORKER'S COMPENSATION; SUBSTANTIAL FAULT. The treatment of ss. 102.43 (9) (e), 108.04 (5g), 108.14 (8n) (e) (by SECTION 39), 108.141 (7) (a) (by SECTION 41), and 108.16 (6m) (a) (by SECTION 43) and SECTION 9350 (3) of this act take effect on January 4, 2026.

(4) UNEMPLOYMENT INSURANCE; WORK SEARCH AND REGISTRATION WAIVERS. The treatment of s. 108.04 (2) (a) (intro.) and 3., (b), (bb), (bd), and (bm) and SECTION 9350 (4) of this act take effect on the Sunday after publication.

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(5) UNEMPLOYMENT INSURANCE; QUILTS DUE TO RELOCATIONS. The treatment of s. 108.04 (7) (t) 1. and 2. and SECTION 9350 (5) of this act take effect on the first Sunday of the 2nd month beginning after publication.

(6) UNEMPLOYMENT INSURANCE; QUIT EXCEPTION. The treatment of s. 108.04 (7) (e) and SECTION 9350 (6) of this act take effect on the first Sunday of the 2nd month beginning after publication.

(7) UNEMPLOYMENT INSURANCE; SUITABLE WORK. The treatment of s. 108.04 (8) (d) (intro.) and (dm) and SECTION 9350 (7) of this act take effect on the first Sunday of the 2nd month beginning after publication.

(8) UNEMPLOYMENT INSURANCE; DRUG TESTING. The treatment of ss. 108.04 (8) (a) and (b), 108.133 (by SECTION 36), 108.14 (8n) (e) (by SECTION 38), 108.141 (7) (a) (by SECTION 40), 108.16 (6m) (a) (by SECTION 42), and 108.19 (1s) (a) 5. and SECTION 9350 (8) of this act take effect on July 6, 2025, or the first Sunday after publication, whichever is later.

(9) UNEMPLOYMENT INSURANCE; ELECTRONIC COMMUNICATIONS. The treatment of s. 108.14 (2e) takes effect on the date specified in the notice published in the Wisconsin administrative register under SECTION 9150 (1) of this act.

(10) UNEMPLOYMENT INSURANCE; ELECTRONIC FILING. The treatment of ss. 108.17 (2), (2b), (2g), and (7), 108.185, 108.205 (1m) and (2), and 108.22 (1) (ac), (ad) 1., and (af) takes effect on January 1, 2027.

(11) UNEMPLOYMENT INSURANCE AND WORKER'S COMPENSATION; MISCONDUCT.

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The treatment of s. 108.04 (5) (intro.) and (a) to (g) and SECTION 9350 (9) of this act take effect on January 4, 2026.

(END)