

# SERVICE BULLETIN

*TO:* T&T Clients  
*FROM:* Josh Kendall  
*RE:* Arkansas Unemployment Law Changes  
*DATE:* November 20, 2009

---

For 2010, the state (Arkansas) unemployment taxable wage base will increase from \$10,000 to \$12,000.

With respect to UI tax rates, an extended benefits tax of 0.10% will be added to the total tax rate for experience-rated employers.

Following are examples of how these changes will combine to affect 2010 UI tax payments:

Current 2009 Tax Rate	Corresponding Tax Rate For 2010	2009 Tax Due Per Full-Time Worker @ \$10,000 wage base	2010 Tax Due Per Full-Time Worker @ \$12,000 wage base	Percent Increase from 2009 to 2010
0.90%	1.00%	\$90.00	\$120.00	33%
2.00%	2.10%	\$200.00	\$252.00	26%
3.60%	3.70%	\$360.00	\$444.00	23%
5.80%	5.90%	\$580.00	\$708.00	22%

As you will note, employers with the lowest tax rates, and who arguably offer the most stable employment, will be hit with the highest tax increases in percentage terms.

With respect to unemployment benefit eligibility, the Arkansas legislature adopted provisions in 2009 that allow more individuals to qualify for UI benefits. These provisions include approval of claims when a person quits because of a compelling personal emergency. Such emergencies include caring for an ill family member, domestic violence, and moving because a spouse has taken a job out of the individual's commuting area.

Arkansas law was also changed to specify that a claimant may limit his/her work availability to part-time work if the individual's base period employment consists of at least fifty percent part-time work.

-more-



continued...

The “alternative base period” was also adopted, allowing some individuals to qualify for UI benefits who would not qualify otherwise because their work history is very recent. The normal or standard base period disregards the most recent three to six months, depending on the timing of the claim. Some individuals who are relatively new to the labor force, such as recent graduates, and who have lost work, may not have sufficient work history in the standard base period but now will qualify for benefits by virtue of the alternative base period, which consists of the four most recent calendar quarters immediately prior to filing a new claim for benefits.

By adopting the changes to increase benefit eligibility, Arkansas qualified for almost \$60 million in incentive payments under the American Recovery and Reinvestment Act.

As always, please feel free to contact us if there are any questions. You may view prior Service Bulletins on our website at [www.thomasandthorngren.com](http://www.thomasandthorngren.com).

-end-