

2021 -- S 0837

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- TEMPORARY DISABILITY  
INSURANCE -- CONTRIBUTIONS

Introduced By: Senators Pearson, Seveney, Acosta, Goldin, and Miller

Date Introduced: April 23, 2021

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 28-40-1 and 28-40-4 of the General Laws in Chapter 28-40 entitled  
2 "Temporary Disability Insurance - Contributions" are hereby amended to read as follows:

3           **28-40-1. ~~Amount of employee contributions -- Wages on which based.~~ Amount of**  
4 **employee and employer contributions -- wages on which based.**

5           (a) The taxable wage base under this chapter for each calendar year shall be equal to the  
6 greater of thirty-eight thousand dollars (\$38,000) or the annual earnings needed by an individual to  
7 qualify for the maximum weekly benefit amount and the maximum duration under chapters 39 --  
8 41 of this title. That taxable wage base shall be computed as follows: Every September 30, the  
9 maximum weekly benefit amount in effect as of that date shall be multiplied by thirty (30) and the  
10 resultant product shall be divided by thirty-six hundredths (.36). If the result thus obtained is not  
11 an even multiple of one hundred dollars (\$100), it shall be rounded upward to the next higher even  
12 multiple of one hundred dollars (\$100). That taxable wage base shall be effective for the calendar  
13 year beginning on the next January 1.

14           (b) Each employee shall contribute with respect to employment after the date upon which  
15 the employer becomes subject to chapters 39 -- 41 of this title, an amount equal to one-half (½) of  
16 the fund cost rate times the wages paid by the employer to the employee up to the taxable wage  
17 base as defined and computed in subsection (a) of this section. The employee contribution rate for  
18 the following calendar year shall be determined by computing the fund cost rate on or before

1 November 15 of each year as follows:

2 (1) The total amount of disbursements made from the fund for the twelve (12) month period  
3 ending on the immediately preceding September 30 shall be divided by the total taxable wages paid  
4 by employers during the twelve (12) month period ending on the immediately preceding June 30.  
5 The ratio thus obtained shall be multiplied by one hundred (100) and the resultant product if not an  
6 exact multiple of one-tenth of one percent (0.1%) shall be rounded down to the next lowest multiple  
7 of one-tenth of one percent (0.1%);

8 (2) If the fund balance as of the preceding September 30 is less than the total disbursements  
9 from the fund for the six (6) month period ending on that September 30, that difference shall be  
10 added to the total disbursements for the twelve (12) month period ending September 30 for the  
11 purpose of computing the fund cost rate, and if the resulting fund cost rate is not an exact multiple  
12 of one-tenth of one percent (0.1%) it shall be rounded to the nearest multiple of one-tenth of one  
13 percent (0.1%).

14 (c) In addition to each employer's obligation to deduct employee contributions and pay  
15 them to the director, each employer shall also contribute with respect to employment after the date  
16 upon which the employee becomes subject to chapters 39, 40 and 41 of title 28, an amount equal  
17 to the employee contribution for each of its employees as calculated in subsections (a) and (b) of  
18 this section.

19 **28-40-4. Employer's liability for contributions not withheld.**

20 If any employer fails to make a contribution as required or to deduct the contributions of  
21 any of his or her employees at the time their wages are paid or fails to make a deduction at the time  
22 wages are paid for the next succeeding payroll period, he or she alone shall subsequently be liable  
23 for those contributions, and, for the purposes of §§ 28-39-23 -- 28-39-32 and 28-40-9 -- 28-40-16  
24 those contributions shall be treated as employers' contributions required from him or her.

25 SECTION 2. This act shall take effect on January 1, 2022.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- TEMPORARY DISABILITY  
INSURANCE -- CONTRIBUTIONS

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- 1           This act would decrease an employee's obligation for contribution from wages and require
- 2 an employer to contribute one-half of the amount to an employee's contribution.
- 3           This act would take effect on January 1, 2022.

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