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Financing Unemployment Benefits--Federal Loans to Cover Shortfalls

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Introduction--the current state of Ohio's unemployment compensation system

By the end of 2008, Ohio's Unemployment Compensation Fund--the fund used to pay eligible unemployed individuals benefits--was depleted. According to reports emanating from the administering state agency, the Ohio Department of Job and Family Services, the balance of the Fund was roughly \$28 million by December 31, 2008. The Fund, on average, pays out \$35 million in benefits per week.¹ Monthly payouts from the Fund are heavily dependent upon the economy and unemployment caseloads.²

According to the Department, three factors have contributed to the current status of Ohio's Unemployment Compensation Fund: (1) an increase in the number of job losses, resulting in substantially more individuals than usual filing claims for unemployment benefits, (2) while under Ohio law, unemployment benefits must increase with inflation, employers' contributions to the Fund, while not constant, have tended to lag behind unemployment rates, and (3) the Fund was not adequately replenished following the recession in the early 2000s.³

Currently, jobless Ohioans may receive 59 weeks of unemployment benefits, rather than the usual 26 weeks, due to economic conditions and legislation enacted by Congress. The first 26 weeks are benefits payable from Ohio's Unemployment Compensation Fund, and the additional 33 weeks are "extended" unemployment benefits, the costs of which are paid by the federal government. Additionally, since criteria specified in Ohio law are satisfied, jobless Ohioans may receive 20 more weeks of benefits, currently paid for by the federal government (the cost is normally split between the state and the federal government).⁴



In the 1930s, the federal government utilized a “carrot” and “stick” approach to induce all states to establish and operate an unemployment benefits program. The stick was a hefty federal excise tax on the payroll of most employers; the carrot was a 90% tax credit to any employer paying contributions (at a much lower rate) to support an “approved” state unemployment compensation program.

This brief explains the federal-state partnership for unemployment benefits, the “normal” mechanism that funds unemployment benefits, the procedure by which Ohio can obtain and repay a loan from the federal government to continue uninterrupted funding of Ohio’s unemployment compensation system, and the consequences of obtaining that loan.

The unemployment compensation system--the federal-state partnership

The modern Ohio unemployment compensation system has its origins in the mid-1930s during the continuing Great Depression.⁵ States initially attempted to address the national unemployment problem on a state-by-state basis. Wisconsin was the first state to enact such legislation in 1931. However, other states were reluctant to follow suit for fear of putting a state at an economic disadvantage.⁶ Congress ultimately determined to address the situation nationally, however U.S. Supreme Court decisions on legislation passed during the New Deal Era held that a state could not be forced to participate in a federal program or to become agents of the federal government for the purposes of such a program.⁷ Accordingly, instead, Congress enacted the Federal Unemployment Tax Act (“FUTA”) that utilized a “carrot” and “stick” approach that

offered states incentives to establish unemployment insurance programs that satisfied certain minimum federal standards.⁸

The “stick” is a hefty federal excise tax levied by Congress under its taxing power upon the payroll of almost every employer in the country.⁹ The “carrot” is an offer to waive almost 90% of that tax if the employer makes specified payments, somewhat euphemistically called “contributions,” to an “approved” state unemployment compensation system. The U.S. Supreme Court upheld this carrot and stick approach.¹⁰ The FUTA tax rate currently is 6.2%; however, the maximum FUTA tax credit an employer may receive is 5.4%.¹¹

These incentives proved to be enough, rapidly, to encourage all states to set up a program that satisfied the federal standards, essentially since the legislation also offered an additional “carrot” directly to the states. The federal government pays a share of a state’s administrative costs to run an approved state program out of the proceeds of that portion of the excise tax the federal government still directly collects.

How the system is funded under “normal” conditions

FUTA requires each state to establish a state unemployment compensation fund that is used



to pay unemployment benefits in order for employers in that state to receive the FUTA tax credit.¹² The Ohio Department of Job and Family Services (“ODJFS”) administers and enforces Ohio’s Unemployment Compensation Law.¹³ Ohio has an approved unemployment compensation system and approved experience rating system. Thus, Ohio employers are currently eligible to receive the full FUTA tax credit. Unemployment benefits are paid from Ohio’s Unemployment Compensation Fund.¹⁴

The basic funding mechanism used by all states is to establish, for those employers in the state who are subject to the state’s unemployment compensation law, an account within the state’s unemployment compensation fund and to periodically collect (in advance) contributions from almost all of those employers. The formula for calculating those contributions depends on the balance in each employer’s account and the outflow of money from that account to pay unemployment benefits chargeable to that employer. These types of employers are commonly known as “contributory” employers. When the system is operating normally, each employer should have sufficient funds in the employer’s account to cover any benefit charges against the employer. As the balance in an employer’s account goes down, the future rate of contributions for the employer will increase to replenish those losses. If, on the other hand, an employer continues to build up the

balance in the employer’s account because there are few if any changes to the account, gradually, the employer’s contribution rate will decrease.

In the 1970s Congress undertook a major extension of the unemployment insurance program to cover virtually all state and local government agencies and nearly all nonprofit employers. In contrast to contributory employers, governmental and nonprofit employers generally were granted the option to reimburse the unemployment compensation system only after benefits have been paid to unemployed workers of those employers (nonprofit employers still retain the option of being contributory employers). These types of employers are commonly known as “reimbursing” employers. The status of being either a contributory or reimbursing employer each has advantages and disadvantages, but from a systemic point of view, the reimbursing option has a disadvantage because no “cushion” of money is added to a state’s unemployment compensation fund to help deal with the higher payout of benefits during periods of rising unemployment due to a deteriorating economy.

Ohio has other mechanisms to help maintain the solvency of Ohio’s Unemployment Compensation Fund. Ohio’s Unemployment Compensation Law creates a mutualized account within the Fund that generally is used to keep the fund balance at a safe level and to cover the payment of unemployment benefits when responsibility for

Given “normal” economic conditions and a relatively low and stable unemployment rate, a state program produces sufficient revenues to pay all benefits to unemployed individuals and maintain an adequate level of reserves.



Prolonged and widespread period of economic distress and high unemployment rates, however, can deplete a state's reserves. Federal law allows states faced with insufficient reserves to borrow money ("advances") to continue the uninterrupted payment of unemployment benefits.

that payment, although justified, cannot be attributed to an individual employer. A "mutualized tax" (a type of surtax) is applied only under certain circumstances and is applied uniformly to all contributory employers. The mutualized tax does not affect an employer's experience rating.¹⁵

Also, Ohio's Unemployment Compensation Law includes a requirement for the calculation of a minimum safe level ("MSL"). If the Fund, as of the "computation date" (July 1), is above or below the MSL, the schedule of contribution specified in statute for the next contribution period (calendar year) is adjusted based on the percentage that the balance of the Fund is above or below the then currently calculated MSL.¹⁶ This represents an additional cost to employers known as the MSL tax.

What happens if Ohio's Unemployment Compensation Fund is unable to pay benefits?

Despite all the features designed to ensure that money to pay unemployment benefits is readily available when needed, several periods of distressed economic conditions have existed that pushed states' unemployment compensation funds into insolvency. Ohio now seems to be facing another such episode.

What happens if such a serious situation develops? Do people not get paid benefits? No. It appears that, under the federal-state partnership, a state must find some way to pay unemployment benefits. FUTA allows states to determine the amount of unemployment benefits they will pay. However, for a state system to comply with FUTA, it would appear that the state has to be able to pay whatever unemployment benefit amount the state establishes.¹⁷

Ohio has faced such difficulties before. For example, in the early 1980s, Ohio also had difficulty funding its unemployment compensation system. Many states, including Ohio, had been suffering from the recession of the late 1970s and early 1980s and a strain was placed on the states' unemployment compensation funds. Ohio, along with several other states, had to obtain advances from the federal government to pay unemployment benefits. Ultimately, Ohio borrowed \$2.8 billion from the federal government.¹⁸ In the late 1980s and early 1990s, when Ohio's fund again was threatened with insolvency, the General Assembly enacted changes to the Unemployment Compensation Law and was able to avoid obtaining an advance from the federal government.

Potential immediate funding options

To continue paying unemployment benefits, Ohio may have to find a way



to immediately inject funds into the system. There are two sources of such funds, but neither seems a possible solution without legislative action: (1) using funds from another state source or (2) issuing bonds. Even, however, if the General Assembly were to enact legislation to tap other state revenue sources, problems may still arise regarding the system: (1) the state could lose its “approved” status if the funding mechanism does not satisfy the requirements specified in FUTA regarding how a state’s system must be established for employers to receive the FUTA tax credit, or (2) spending restrictions may exist in law or the Ohio Constitution for the money used to fund the system, such as the restrictions that exist for the use of the State Insurance Fund.¹⁹ Also, based on an Ohio Supreme Court decision, it does not appear that Ohio could issue bonds to cover the shortfall without amending Ohio’s Constitution. In the late 1980s, the General Assembly amended the Unemployment Compensation Law to permit the issuance of bonds to repay outstanding loans the state received from the federal government for Ohio’s unemployment compensation system. The Supreme Court held that the bonds to be issued did not fall under any exception to the prohibition against creating debt that exceeds \$750,000, and thus the issuance of that debt would violate Ohio’s Constitution.²⁰

Another option, however, which does not require constitutional amendment or legislation to be

effective immediately, is to obtain an advance (loan) from the federal government to pay unemployment benefits, as discussed in more detail below. As of March 5, 2009, Ohio has borrowed about \$394.7 million; advances have been approved for March (\$225 million) and April (\$50 million).

Obtaining an advance from the federal government

Federal law permits a state’s governor, or the governor’s designee, to apply to the U.S. Secretary of Labor to receive a three-month “advance” for the payment of unemployment benefits if the amount of funds in a state’s account in the federal Unemployment Trust Fund is insufficient to pay those benefits.²¹ The Secretary may allow an advance if both of the following requirements are satisfied:

(1) The governor applies for the advance no earlier than the first day of the month preceding the first month of the three-month period; and

(2) The governor furnishes to the Secretary an estimate of the amount of an advance the state will need for the payment of unemployment benefits during each month of the three-month period.²²

If a state applies for an advance, the Secretary of Labor must determine the amount, if any, that the Secretary finds will be required for the payment of unemployment benefits

In the early 1980s a serious and prolonged national recession forced many states, including Ohio, to seek federal loans. Ultimately, Ohio obtained advances of around \$2.8 billion.



during each month of the three-month period and must certify that amount to the U.S. Secretary of the Treasury. The amount the Secretary of Labor certifies to the Secretary of the Treasury, and the amount the Secretary of the Treasury transfers to the state's account from the Federal Unemployment Account ("FUA") in the federal Unemployment Trust Fund on a monthly basis, cannot exceed the amount estimated by the governor and cannot exceed the amount the Secretary of the Treasury reports is available in the FUA for advances during each month of the three-month period.²³ For purposes of obtaining an advance, a state must determine the amount required for the payment of compensation in any month with due allowance for contingencies and must take into account all other amounts that will be available in the state's unemployment compensation fund for the payment of compensation in that month. "Compensation" does not include administration expenses.²⁴

Repayment of an advance

The governor of a state that has received an advance has many duties regarding applying for and repaying an advance. A governor may, at any time, request that funds be transferred from the state's account in the federal Unemployment Trust Fund to the FUA to repay part or all of the balance of any advances. The Secretary of Labor must certify to the

Secretary of the Treasury the amount and balance specified in the request, and the Secretary of the Treasury must promptly transfer that amount to reduce that balance.²⁵

Consequences of obtaining an advance

FUTA requires states to repay federal advances according to specified deadlines. If a state does not repay as required, the basic penalty is a "graduated" loss of the federal excise tax credit for all employers in the state.²⁶ Any increase in the FUTA tax then is used to repay that state's outstanding advance balance. Additionally, a state may lose additional funding and may be charged interest if advances remain unpaid.

Under normal conditions an employer who regularly pays into an approved state system has a FUTA tax rate that equals 0.8% after taking the allowed tax credit (6.2% tax minus the 5.4% tax credit). If, for example, an employer has a taxable payroll of \$10,000, under normal conditions the employer pays only \$80 per year in FUTA taxes to the federal government ($\$10,000 \times 0.008$). If a state has an outstanding balance as of January 1 for two consecutive years, the state has until November 10 of the second year to pay off that balance. If the state does not pay off the balance by that date, the FUTA tax credit in that state is reduced by 5% of the FUTA

Advances must be repaid according to a strict timetable with the penalty of a gradual reduction of the federal tax credit to employers if a state fails to meet the repayment deadlines.



tax. For purposes of determining the amount of the reduction, FUTA states that the FUTA tax rate is 6%, not 6.2%. Thus, the employer in the example would pay an additional \$30 per year (approximately) in FUTA taxes if the advance made to the state remains outstanding after the deadline passes ($6\% \times 5\% = 0.3\%$; $\$10,000 \times 0.003 = \30). An employer's FUTA tax credit is reduced by an additional 5% per year for each succeeding year an advance remains outstanding.²⁷

If, beginning in the third and fifth consecutive years the balance of an advance remains outstanding and other conditions are not met, the FUTA tax credit is reduced by 5% as described above plus an additional amount calculated in accordance with formulas specified in FUTA. The amount of the additional reduction that applies beginning in the fifth year is higher than the amount that applies in the third or fourth year.²⁸ If, while collecting all of these additional taxes, the balance of any advance is paid in full, the remainder no longer needed to repay the advance must be placed in the state's account in the federal Unemployment Trust Fund.²⁹

Under normal conditions, if amounts in other accounts with the federal Unemployment Trust Fund have reached statutorily prescribed limits, the excess funds are divided and transferred into the states' accounts. However, if a state has an outstanding advance balance, any excess the state would have received is kept in the FUA to reduce that state's balance.³⁰

Interest on advances

Federal law does not require a state to pay interest on advances made within a calendar year if (1) the advances are paid in full by September 30 of the calendar year during which the advances were made, (2) no other advances were made during that calendar year and after the repayment is complete, and (3) the state meets funding goals established under regulations issued by the Secretary of Labor concerning the states' accounts in the federal Unemployment Trust Fund.³¹

Otherwise, the state must pay interest on an advance.³² In the 1980s Ohio's total interest and surcharge bill for advances was \$263.7 million.³³ FUTA prohibits a state from using its unemployment compensation fund, either directly or indirectly, to pay the interest. If the Secretary of Labor determines that any state action results in the direct or indirect payment of the advance through that state's unemployment compensation fund, the Secretary cannot certify the state's unemployment compensation law as compliant with FUTA. If a state system is not certified, the employers of the state are not eligible to receive the credit on their FUTA taxes. Additionally, if a state does not make interest payments on a timely basis, the state may lose administrative funding and the state's employers may lose FUTA tax credit.³⁴

The amount of interest is calculated by dividing the aggregate amount

If advances are not repaid within a certain time frame interest charges also accrue. The advances Ohio received in the 1980s eventually required the state to pay \$263.7 million in interest and surcharges on top of repaying the advances.



credited to the states' accounts in the federal Unemployment Trust Fund by the aggregate of the average daily balances of the states' accounts. The amount of interest cannot exceed 10% per calendar year and is recalculated every year.³⁵ Congress included in the recently enacted American Recovery and Reinvestment Act of 2009 (known as the stimulus bill) the Assistance for Unemployed Workers and Struggling Families Act. Under that Act, any interest payment owed by a state for an advance during the time period beginning on the Act's effective date and ending December 31, 2010, is deemed to be paid, and no interest will accrue on advances made to a state during that time period. This is essentially a temporary waiver of interest.³⁶

Interest normally is due on the first day of the federal fiscal year (October 1). However, if an advance is made during the last five months of the federal fiscal year, a state need not pay interest on that advance before December 31. A governor must notify the Secretary of Labor if the governor decides to delay that payment.³⁷

Additionally, in times of high unemployment for a state, the state may receive a deferral or delay on the payment of interest. If the Secretary of Labor determines that the average insured unemployment rate equals or exceeds 7.5% during the first six months of a calendar year, 75% of the interest due on October 1 of that year is deferred. A state must pay 25% of the interest due by October 1 of that year and must pay one-third

of the deferred amount by October 1 in each of the next three years. A governor must apply to the Secretary of Labor by July 1 of the year the deferral is requested to receive a deferral. Interest does not accrue on the deferred interest.³⁸

Similarly, if the Secretary of Labor determines, during the 12-month period preceding the October 1 when the interest normally is due, that the state had an average unemployment rate of 13.5% or greater, the state may delay the payment of interest for nine months. A delayed interest payment must be paid in full by the following July 1, and interest does not accrue on the delayed interest.³⁹

Restrictions on state activity

If a state has received a federal advance, the state is more restricted than usual when it comes to making changes to its unemployment compensation system. This is especially true if the state wishes to avoid or limit the tax credit reduction as described under "Mitigating the employer FUTA tax credit reduction" below. Essentially, a state cannot take any action, whether legislative, administrative, or judicial, that results or will result in either (1) a reduction in the state's unemployment tax effort or (2) a decrease in the net solvency of the state's unemployment compensation system. The former actions include, but are not limited to, a reduction in the taxable wage

Federal law severely restricts a state's freedom of action while a state owes repayment for advances received. A state may not make any changes to its unemployment compensation program that: (1) cause a net reduction in the state's tax effort, or (2) increase the net outflow of money from the state's fund.



base, the tax rate schedule, tax rates, or taxes payable, including surtaxes. The latter comprises actions that result or will result in an increase in benefits without at least an equal increase in taxes, or a decrease in taxes without at least an equal decrease in benefits.⁴⁰

Since Ohio has received an advance from the federal government, and if that advance remains outstanding after specified deadlines have passed, the General Assembly may, in a practical manner, be limited in the unemployment legislation it enacts. For example, in 2007 the 127th General Assembly enacted Am. S.B. 116, which prohibits reducing a claimant's unemployment benefits by the amount the claimant concurrently receives in Social Security retirement benefits, if the claimant contributed to Social Security pursuant to the Social Security Act.⁴¹ Then, in 2008, the 127th General Assembly enacted Am. Sub. H.B. 562, which included a provision that expands the type of compensation that may not be deducted from the unemployment benefits received by a former member of the military.⁴² Whether Ohio could have enacted and enforced this type of legislation if Ohio had an outstanding advance balance would depend upon whether the Secretary of Labor determined that the legislation results, or will result, in a net decrease in the solvency of Ohio's Unemployment Compensation Fund. If the Secretary determined that it does result in a net decrease, it does not appear that Ohio would be able to cap the reduction in employers' FUTA tax credit or take

advantage of other benefits. Thus, Ohio employers could be required to pay higher unemployment taxes. Ultimately, this is a determination made by the Secretary of Labor, and that determination likely would revolve around the specific facts and impact of any legislation enacted.

Mitigating the employer FUTA tax credit reduction

FUTA allows a state to avoid or limit the reduction in employers' FUTA tax credit for failing to pay back an advance during the specified time period, if the state satisfies certain requirements. The requirements to cap the reduction include that the state did not take action during the 12-month period ending on September 30 of the taxable year that (1) has resulted or will result in a reduction in the state's unemployment tax effort and (2) that has resulted or will result in a net decrease in the solvency of the state unemployment compensation system. The cap in the reduction is in an amount that does not exceed the greater of the reduction of that credit that was in effect with respect to the state for the preceding taxable year, or 0.6% of the wages paid by the employer during that taxable year that are attributable to the state.⁴³

Additionally, as discussed under "Consequences of obtaining an advance" above, an additional reduction in an employer's FUTA tax credit is applied beginning the third consecutive year that an outstanding



advance balance exists, with an even higher reduction applied beginning the fifth consecutive year that the balance exists. However, under FUTA, the governor of a state that has an outstanding advance may apply to revert back to the lower rate that applied in the third year. In

addition to satisfying other specified requirements, in order for the substitution to apply, a state could not have taken action that has resulted or will result in a reduction of the solvency of the state's unemployment compensation system.⁴⁴



Endnotes

¹ Catherine Candisky, Unemployment Fund Likely to Go Broke by End of Year, THE COLUMBUS DISPATCH, November 14, 2008.

² Catherine Candisky, Ohio Jobless Benefits in Crisis, THE COLUMBUS DISPATCH, July 15, 2008.

³ Gongwer News Service, Unemployment Trust Fund Going Broke, Officials Say (June 13, 2008), available at <http://www.gongwer-oh.com/> (last visited June 16, 2008).

⁴ R.C. 4141.301, Am. Sub. H.B. 2 of the 128th General Assembly, Ohio Department of Job and Family Services Press Release, Additional 13 Weeks of Benefits Available through Ohio Department of Job and Family Services, July 2, 2008, Title V of the Supplemental Appropriations Act, 2008, Pub. Law No. 110-252, 122 Stat. 2323, 26 U.S.C. 3304 Note and the American Recovery and Reinvestment Act of 2009, Pub. Law 111-5, Section 2005. The Acts allow a state and the United States Department of Labor to enter into an agreement to provide emergency unemployment benefits paid for by the federal government (sections 4001-4007 of the Supplemental Appropriations Act).

⁵ See Chas. A. Steward Mach. Co. v. Davis (1937), 301 U.S. 548, 588-589.

⁶ *Id.* at 587-588.

⁷ See A.L.A. Schlecter Poultry Co. v. U.S. (1925), 295 U.S. 495.

⁸ 26 United States Code (U.S.C.) § 3301 *et seq.*

⁹ Section 8, Article 1, United States Constitution and Chas. A. Steward Mach. Co. at 583.

¹⁰ Chas. A. Steward Mach. Co. at 598.

¹¹ 26 U.S.C. §§ 3301 and 3302. Beginning in 2010, the federal excise tax rate will be 6%, however, the maximum tax credit will remain 5.4%, thus resulting in an employer who pays into an approved system having to pay a FUTA tax rate of 0.6%. Another "carrot" offered in later legislation and included in the 5.4% cap allows an employer to receive a credit on the employer's FUTA tax if a state elects to establish an experience rating system to determine how an employer contributes to the state's unemployment compensation fund in accordance with the requirements specified in FUTA and if the U.S. Secretary of Labor approves that system. 26 U.S.C. §§ 3301 and 3303.

¹² 26 U.S.C. §§ 3302 and 3304.

¹³ R.C. Chapter 4141.



¹⁴ R.C. 4141.09.

¹⁵ R.C. 4141.24 and 4141.25.

¹⁶ R.C. 4141.25.

¹⁷ See 26 U.S.C. § 3304, which requires a state to establish an unemployment compensation fund and to use that fund, with some exceptions, only for the purpose of paying unemployment benefits.

¹⁸ See Ohio Bureau of Employment Services, “Trust Fund Adequacy” 50 (1989).

¹⁹ For example, several court cases have interpreted that the Ohio constitutional provision that is the basis for Ohio’s workers’ compensation system and a provision in Ohio’s Workers’ Compensation Law that specifies how the assets of the State Insurance Fund may be allocated (Sec. 35, Art. II, Ohio Constitution and R.C. 4123.30) suggest a constitutional basis for the prohibition against use of money in the State Insurance Fund for purposes other than that of providing compensation to employees and their dependents for death, injuries or occupational disease, occasioned in the course of employment (see *Thompson v. Industrial Commission* (1982), 1 Ohio St.3d 244; *Corrugated Container v. Dickerson* (1960), 171 Ohio St. 289; *Welsh v. Industrial Commission* (1940), 136 Ohio St. 387).

²⁰ *Shkurti v. Withrow* (1987), 32 Ohio St.3d 424. Specifically, the Ohio Supreme Court stated that the following exemptions to the debt limitation specified in Ohio’s Constitution did not apply with regard to the potential bonds to be issued for the unemployment debt: (1) the language allowing for additional indebtedness to redeem “present outstanding indebtedness” applied only to the outstanding debt in 1851, and (2) the “special fund” exception applied to buildings built or acquired and from which revenue is generated, and the proposed bonds would be an extension of that exemption not a part of that exemption. Additionally, the Court stated that no property was being built or acquired and the revenues were to be generated by an employer surcharge, and that although the statute stated that the bonds were not the obligation of the state, the proposal ultimately pledged tax revenue for debt service for a government program, not a building. *Shkurti* at 426 to 428.

²¹ 42 U.S.C. § 1321 and 20 Code of Federal Regulations (C.F.R.) § 606.4. Ohio’s Unemployment Compensation Law allows the Director of ODJFS to apply for an advance to the Unemployment Compensation Fund and to do all things necessary or required to obtain, and to arrange for the repayment of, an advance (R.C. 4141.43(F)).

²² 42 U.S.C. § 1321(a)(1) and (a)(3)(A).

²³ 42 U.S.C. § 1321(a)(2) and (b).

²⁴ 42 U.S.C. § 1321(a)(3)(B) and (C).

²⁵ 42 U.S.C. § 1322(a).

²⁶ 26 U.S.C. § 3302(c)(2).

²⁷ 26 U.S.C. § 3302(c)(2)(A)(ii) and (d)(1) and Ohio Bureau of Employment Services at 49.

²⁸ 26 U.S.C. § 3302(c)(2)(B) and (C).

²⁹ 42 U.S.C. § 1101(d).

³⁰ 42 U.S.C. § 1103.

³¹ 42 U.S.C. § 1322. See also 20 C.F.R. § 606.32.

³² 42 U.S.C. § 1322(b)(1).

³³ See Ohio Bureau of Employment Services, “Trust Fund Adequacy” 50 (1989).

³⁴ 26 U.S.C. § 3304(a)(17), 42 U.S.C. 503(c)(3) and 1322(b)(3)(C)(5), and R.C. 4141.09(G).



- ³⁵ 42 U.S.C. § 1322(b)(4).
³⁶ The American Recovery and Reinvestment Act of 2009, Pub. Law 111-5, Section 2004.
³⁷ 42 U.S.C. § 1322(b)(3)(A) and (B) and 20 C.F.R. § 606.40.
³⁸ 42 U.S.C. § 1322(3)(C) and 20 C.F.R. § 606.41.
³⁹ 42 U.S.C. § 1322(9) and 20 C.F.R. § 606.42.
⁴⁰ 20 C.F.R. § 606.21(a).
⁴¹ R.C. 4141.312.
⁴² R.C. 4141.31.
⁴³ 26 U.S.C. § 3302 and 20 C.F.R. §§ 606.21 and 606.22.
⁴⁴ 26 U.S.C. § 3302(c)(2)(C) and (f)(2)(B) and 20 C.F.R. §§ 606.25 and 606.26.

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