

IN THE SENATE

SENATE BILL NO. 1240

BY BOCK

AN ACT

RELATING TO CORPORATE OFFICERS AND UNEMPLOYMENT; AMENDING SECTION 72-1312A, IDAHO CODE, TO AUTHORIZE FAMILY MEMBERS OF CORPORATE OFFICERS TO BE ELIGIBLE FOR UNEMPLOYMENT INSURANCE BENEFITS UNDER CERTAIN CIRCUMSTANCES; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 72-1312A, Idaho Code, be, and the same is hereby amended to read as follows:

72-1312A. CORPORATE OFFICER -- EMPLOYMENT. (1) A corporate officer meeting the requirements of section 72-1312, Idaho Code, whose claim for benefits is based on any wages with a corporation in which the corporate officer or a family member of the corporate officer has an ownership interest shall be:

(a) Not "unemployed" and ineligible for benefits in any week during the corporate officer's term of office with the corporation, even if wages are not being paid. A family member of a corporate officer with an ownership interest shall be deemed unemployed if the family member is otherwise eligible for unemployment benefits under this title for work performed for an entity other than the corporation and the family member does not receive compensation of one thousand two hundred fifty dollars (\$1,250) or more from the corporation during the quarter when the family member became eligible for unemployment compensation.

(b) "Unemployed" in any week the corporate officer is not employed by the corporation for a period of indefinite duration because of circumstances beyond the control of the corporate officer or a family member of the corporate officer with an ownership interest in the corporation, and the period of "unemployment" extends at least through the corporate officer's benefit year end date. If at any time during the benefit year the corporate officer resumes or returns to work for the corporation, it shall be a rebuttable presumption that the corporate officer's unemployment was due to circumstances within the corporate officer's control or the control of a family member with an ownership interest in the corporation, and all benefits paid to the corporate officer during the benefit year shall be considered an overpayment for which the corporate officer shall be liable for repayment.

(2) For purposes of this section, "family member" is a person related by blood or marriage as parent, stepparent, grandparent, spouse, brother, sister, child, stepchild, adopted child or grandchild.

SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.