



Reprinted
January 16, 2026

SENATE BILL No. 162

DIGEST OF SB 162 (Updated January 15, 2026 3:24 pm - DI 153)

Citations Affected: IC 22-4.

Synopsis: Department of workforce development. Removes vacation pay and sick pay from the definition of "deductible income". Amends the definition of "suitable work" to apply solely to extended benefit claims. Amends the definition of "employment" with respect to certain religious, charitable, or educational organizations. Provides that the department of workforce development may make certain direct deposit disbursements under limited circumstances. Provides that the date a determination of eligibility is sent is *prima facie* evidence of proper service. Removes outdated or expired provisions. Removes references to dependants' allowances for purposes of calculating extended benefits. Provides that an individual who files a disaster unemployment assistance claim may be eligible for additional benefits under certain circumstances. Makes conforming changes.

Effective: July 1, 2026.

**Rogers, Doriot, Niegzodski,
Randolph Lonnie M**

January 5, 2026, read first time and referred to Committee on Pensions and Labor.
January 8, 2026, amended, reported favorably — Do Pass.
January 15, 2026, read second time, amended, ordered engrossed.

SB 162—LS 6648/DI 153



Reprinted
January 16, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 162

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-4-2-41, AS ADDED BY P.L.200-2025,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 41. (a) Except as provided in subsection (b), as
4 used in this article, "suitable work" means the following **with respect**
5 **to extended benefit claims:**

6 (1) For an individual classified as having good job prospects
7 under IC 22-4-14-6.1, any work which would be considered
8 suitable work for the individual under IC 22-4-15-2(e).

9 (2) For an individual classified as having not good job prospects
10 under IC 22-4-14-6.1, any work which the individual has the
11 physical and mental capacity to perform.

12 (b) The term does not include any work that meets the following
13 conditions:

14 (1) If the gross average weekly remuneration payable to the
15 individual for the position would not exceed the sum of:

16 (A) the individual's average weekly benefit amount for the
17 individual's benefit year; plus

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(B) the amount (if any) of supplemental unemployment compensation benefits (as defined in Section 501(c)(17)(D) of the Internal Revenue Code) payable to the individual for the week.

(2) If the position was not offered to the individual in writing or was not listed with the department.

(3) If failure to accept the new work would not result in a denial of compensation under the provisions of this article, to the extent that the provisions are not inconsistent with the applicable federal law.

(4) If the position pays less than the higher of:

(A) the minimum wage provided by 29 U.S.C. 206(a)(1) (the Fair Labor Standards Act of 1938), without regard to any exception; or

(B) the state minimum wage (IC 22-2-2).

16 SECTION 2. IC 22-4-4-3, AS AMENDED BY P.L.122-2019,
17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2026]: Sec. 3. (a) For calendar quarters beginning on and after
19 July 1, 1997, and before July 1, 1998, "wage credits" means
20 remuneration paid for employment by an employer to an individual and
21 remuneration received as tips or gratuities in accordance with Sections
22 3102 and 3301 et seq. of the Internal Revenue Code. Wage credits may
23 not exceed five thousand four hundred dollars (\$5,400) and may not
24 include payments specified in section 2 of this chapter.

(b) For calendar quarters beginning on and after July 1, 1998, and before July 1, 1999, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3102 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed five thousand six hundred dollars (\$5,600) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(c) For calendar quarters beginning on and after July 1, 1999, and before July 1, 2000, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3102 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed five thousand eight hundred dollars (\$5,800) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(d) For calendar quarters beginning on and after July 1, 2000, and before July 1, 2001, "wage credits" means remuneration paid for



1 employment by an employer to an individual and remuneration
2 received as tips or gratuities in accordance with Sections 3102 and
3 3301 et seq. of the Internal Revenue Code. Wage credits may not
4 exceed six thousand seven hundred dollars (\$6,700) and may not
5 include payments that are excluded from the definition of wages under
6 section 2 of this chapter.

7 (e) For calendar quarters beginning on and after July 1, 2001, and
8 before July 1, 2002, "wage credits" means remuneration paid for
9 employment by an employer to an individual and remuneration
10 received as tips or gratuities in accordance with Sections 3102 and
11 3301 et seq. of the Internal Revenue Code. Wage credits may not
12 exceed seven thousand three hundred dollars (\$7,300) and may not
13 include payments that are excluded from the definition of wages under
14 section 2 of this chapter.

15 (f) For calendar quarters beginning on and after July 1, 2002, and
16 before July 1, 2003, "wage credits" means remuneration paid for
17 employment by an employer to an individual and remuneration
18 received as tips or gratuities in accordance with Sections 3102 and
19 3301 et seq. of the Internal Revenue Code. Wage credits may not
20 exceed seven thousand nine hundred dollars (\$7,900) and may not
21 include payments that are excluded from the definition of wages under
22 section 2 of this chapter.

23 (g) For calendar quarters beginning on and after July 1, 2003, and
24 before July 1, 2004, "wage credits" means remuneration paid for
25 employment by an employer to an individual and remuneration
26 received as tips or gratuities in accordance with Sections 3102 and
27 3301 et seq. of the Internal Revenue Code. Wage credits may not
28 exceed eight thousand two hundred sixteen dollars (\$8,216) and may
29 not include payments that are excluded from the definition of wages
30 under section 2 of this chapter.

31 (h) For calendar quarters beginning on and after July 1, 2004, and
32 before July 1, 2005, "wage credits" means remuneration paid for
33 employment by an employer to an individual and remuneration
34 received as tips or gratuities in accordance with Sections 3102 and
35 3301 et seq. of the Internal Revenue Code. Wage credits may not
36 exceed eight thousand seven hundred thirty-three dollars (\$8,733) and
37 may not include payments that are excluded from the definition of wages
38 under section 2 of this chapter.

39 (i) For calendar quarters beginning on and after July 1, 2005, and
40 before July 1, 2012, "wage credits" means remuneration paid for
41 employment by an employer to an individual and remuneration
42 received as tips or gratuities in accordance with Sections 3102 and



1 3301 et seq. of the Internal Revenue Code. Wage credits may not
2 exceed nine thousand two hundred fifty dollars (\$9,250) and may not
3 include payments that are excluded from the definition of wages under
4 section 2 of this chapter.

5 (f) For calendar quarters beginning on and after July 1, 2012, "Wage
6 credits" means remuneration paid for employment by an employer to
7 an individual and remuneration received as tips or gratuities in
8 accordance with Sections 3102 and 3301 et seq. of the Internal
9 Revenue Code. Wage credits may not include payments that are
10 excluded from the definition of wages under section 2 of this chapter.

11 SECTION 3. IC 22-4-5-1, AS AMENDED BY P.L.85-2023,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 1. (a) "Deductible income" wherever used in this
14 article, means income deductible from the weekly benefit amount of an
15 individual in any week, and shall include, but shall not be limited to,
16 any of the following:

17 (1) Remuneration for services from employing units, whether or
18 not such remuneration is subject to contribution under this article,
19 except as provided in subsection (c).

20 (2) Dismissal pay or severance pay, including:

21 (A) money that an employer pays to a dismissed employee to
22 compensate the employee for income lost due to
23 unemployment; and

24 (B) remuneration paid to a dismissed employee under a
25 separation agreement.

26 (3) Vacation pay.

27 (4) (3) Pay for idle time.

28 (5) Sick pay.

29 (6) (4) Traveling expenses granted to an individual by an
30 employing unit and not fully accounted for by such individual.

31 (7) (5) Net earnings from self-employment.

32 (8) (6) Payments in lieu of compensation for services.

33 (9) (7) Awards by the National Labor Relations Board of
34 additional pay, back pay, or for loss of employment, or any such
35 payments made under an agreement entered into by an employer,
36 a union, and the National Labor Relations Board.

37 (10) (8) Payments made to an individual by an employing unit
38 pursuant to the terms of the Fair Labor Standards Act (Federal
39 Wage and Hour Law, 29 U.S.C. 201 et seq.).

40 (b) Deductible income shall not include one hundred dollars (\$100)
41 of remuneration paid or payable to an individual with respect to any
42 week.



(c) For the purpose of deductible income only, remuneration for services from employing units does not include **holiday pay, sick pay, vacation pay**, bonuses, gifts, or prizes awarded to an employee by an employing unit.

(d) Deductible income does not include a supplemental unemployment insurance benefit made under a valid negotiated contract or agreement.

(e) Deductible income does not include any payments made to an individual by a court system under a summons for jury service.

SECTION 4. IC 22-4-5-2, AS AMENDED BY P.L.9-2024, SECTION 439, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Payments in lieu of a vacation awarded to an employee by an employing unit shall be considered as deductible income in and with respect to the week in which the vacation occurs.

(b) (a) The payment of accrued vacation pay, dismissal pay or severance pay to an individual separated from employment by an employing unit shall be allocated to the period of time for which such payment is made immediately following the date of separation, and an individual receiving such payments shall not be deemed unemployed with respect to a week during which such allocated deductible income equals or exceeds the weekly benefit amount of the individual's claim.

(e) (b) Pay for:

(1) idle time;

(2) sick pay;

(3) (2) traveling expenses granted to an individual by an employing unit and not fully accounted for by such individual;

(4) (3) earnings from self-employment;

(4) awards by the National Labor Relations Board of additional pay, back pay, or for loss of employment;

(6) (5) payments made under an agreement entered into by an employer, a union, and the National Labor Relations Board; or

(7) (6) payments to an employee by an employing unit made pursuant to the terms and provisions of the Fair Labor Standards Act:

1 be deemed to constitute deductible income with respect to the

shall be deemed to constitute deductible income with respect to the week or weeks for which such payments are made. However, if payments made under subdivision (5) (4) or (6) (5) are not, by the terms of the order or agreement under which the payments are made, allocated to any designated week or weeks, then, and in such cases, such payments shall be considered as deductible income in and with respect to the week in which the same is actually paid.



1 (d) Payment of vacation pay shall be deemed deductible income
 2 with respect to the week or weeks falling within such vacation period
 3 for which vacation payment is made.

4 SECTION 5. IC 22-4-5-3, AS AMENDED BY P.L.122-2019,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 3. (a) This section applies for purposes of
 7 deductible income only.

8 (b) If:

9 (1) an employee and an employing unit have agreed in a labor
 10 contract that is negotiated on or before May 10, 1987, and any
 11 renewals of the contract, to establish a work week that is a
 12 different term of seven (7) days than the calendar week;

13 (2) the employing unit has filed a written notice with the
 14 department in the form and manner prescribed by the department
 15 stating that a work week other than the calendar week has been
 16 established under the labor contract between the employing unit
 17 and its employees; and

18 (3) the notice has been filed with the department before an
 19 employee working on the contractual work week files a claim for
 20 unemployment compensation benefits;

21 the work week specified in the contract may be used for purposes of
 22 this chapter.

23 SECTION 6. IC 22-4-7-1, AS AMENDED BY P.L.171-2016,
 24 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2026]: Sec. 1. (a) Before January 1, 2015, "employer" means:

26 (1) any employing unit which for some portion of a day, but not
 27 necessarily simultaneously, in each of twenty (20) different
 28 weeks, whether or not such weeks are or were consecutive within
 29 either the current or the preceding year, has or had in
 30 employment, and/or has incurred liability for wages payable to,
 31 one (1) or more individuals (irrespective of whether the same
 32 individual or individuals are or were employed in each such day);
 33 or

34 (2) any employing unit which in any calendar quarter in either the
 35 current or preceding calendar year paid for service in employment
 36 wages of one thousand five hundred dollars (\$1,500) or more,
 37 except as provided in section 2(e), 2(h), and 2(i) of this chapter.

38 (b) (a) After December 31, 2014, "Employer" means either of the
 39 following:

40 (1) An employing unit that has incurred liability for wages
 41 payable to one (1) or more individuals.

42 (2) An employing unit that in any calendar quarter during the



1 current or preceding calendar year paid for service in employment
2 wages of one dollar (\$1) or more, except as provided in section
3 2(e), 2(h), and 2(i) of this chapter.

4 ~~(e)~~ (b) For the purpose of this definition, if any week includes both
5 December 31, and January 1, the days up to January 1 shall be deemed
6 one (1) calendar week and the days beginning January 1 another such
7 week.

8 ~~(d)~~ (c) For purposes of this section, "employment" shall include
9 services which would constitute employment but for the fact that such
10 services are deemed to be performed entirely within another state
11 pursuant to an election under an arrangement entered into by the
12 department (pursuant to IC 22-4-22) and an agency charged with the
13 administration of any other state or federal unemployment
14 compensation law.

15 SECTION 7. IC 22-4-8-2, AS AMENDED BY P.L.200-2025,
16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2026]: Sec. 2. The term "employment" shall include:

18 (a) An individual's entire service performed within or both within
19 and without Indiana if the service is localized in Indiana.

20 (b) An individual's entire service performed within or both within
21 and without Indiana if the service is not localized in any state, but some
22 of the service is performed in Indiana and:

23 (1) the base of operations, or, if there is no base of operations,
24 then the place from which such service is directed or controlled
25 is in Indiana;

26 (2) the base of operations or place from which such service is
27 directed or controlled is not in any state in which some part of the
28 service is performed but the individual's residence is in Indiana;
29 or

30 (3) such service is not covered under the unemployment
31 compensation law of any other state or Canada, and the place
32 from which the service is directed or controlled is in Indiana.

33 (c) Services not covered under subsections (a) and (b) and
34 performed entirely without Indiana, with respect to no part of which
35 contributions are required and paid under an unemployment
36 compensation law of any other state or of the United States, shall be
37 deemed to be employment subject to this article if the department
38 approves the election of the individual performing such services and
39 the employing unit for which such services are performed, that the
40 entire services of such individual shall be deemed to be employment
41 subject to this article.

42 (d) Services covered by an election duly approved by the



1 department, in accordance with an agreement pursuant to IC 22-4-22-1
2 through IC 22-4-22-5, shall be deemed to be employment during the
3 effective period of such election.

4 (e) Service shall be deemed to be localized within a state if:
5 (1) the service is performed entirely within such state; or
6 (2) the service is performed both within and without such state,
7 but the service performed without such state is incidental to the
8 individual's service within the state, such as is temporary or
9 transitory in nature or consists of isolated transactions.

10 (f) Periods of vacation with pay or leave with pay, other than
11 military leave granted or given to an individual by an employer.

12 (g) Notwithstanding any other provisions of this article, the term
13 employment shall also include all services performed by an officer or
14 member of the crew of an American vessel or American aircraft, on or
15 in connection with such vessel or such aircraft, provided that the
16 operating office, from which the operations of such vessel operating on
17 navigable waters within or the operations of such aircraft within, or the
18 operation of such vessel or aircraft within and without the United States
19 are ordinarily and regularly supervised, managed, directed, and
20 controlled, is within this state.

21 (h) Services performed for an employer which is subject to
22 contribution solely by reason of liability for any federal tax against
23 which credit may be taken for contributions paid into a state
24 unemployment compensation fund.

25 (i) The following:
26 (1) Service performed after December 31, 1971, by an individual
27 in the employ of this state or any of its instrumentalities (or in the
28 employ of this state and one (1) or more other states or their
29 instrumentalities) for a hospital or eligible postsecondary
30 educational institution located in Indiana.

31 (2) Service performed after December 31, 1977, by an individual
32 in the employ of this state or a political subdivision of the state or
33 any instrumentality of the state or a political subdivision, or any
34 instrumentality which is wholly owned by the state and one (1) or
35 more other states or political subdivisions, if the service is
36 excluded from "employment" as defined in Section 3306(c)(7) of
37 the Federal Unemployment Tax Act (26 U.S.C. 3306(c)(7)).
38 However, service performed after December 31, 1977, as the
39 following is excluded:

40 (A) An elected official.
41 (B) A member of a legislative body or of the judiciary of a
42 state or political subdivision.



(C) A member of the state national guard or air national guard.

(D) An employee serving on a temporary basis in the case of fire, snow, storm, earthquake, flood, or similar emergency.

(E) An individual in a position which, under the laws of the state, is designated as:

(i) a major nontenured policymaking or advisory position; or

(ii) a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight (8) hours per week.

(3) Service performed after March 31, 1981, by an individual whose service is part of an unemployment work relief or work training program assisted or financed in whole by any federal agency or an agency of this state or a political subdivision of this state, by an individual receiving such work relief or work training is excluded.

(j) Service performed after December 31, 1971, by an individual in the employ of a religious, charitable, educational, or other organization, but only if the following conditions are met:

(1) The service is excluded from "employment" as defined in the Federal Unemployment Tax Act solely by reason of Section 3306(c)(8) of that act (26 U.S.C. 3306(c)(8)).

(2) The organization had four (4) or more individuals in employment ~~within the state of Indiana~~, for some portion of a day in each of twenty (20) different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(3) For the purposes of subdivisions (1) and (2), the term "employment" does not apply to service performed as follows:

(A) In the employ of:

(i) a church or convention or association of churches; or

(ii) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches.

(B) By a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order.

(C) Before January 1, 1978, in the employ of a school which is not an eligible postsecondary educational institution.

(D) In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning



capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work.

(E) As part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training

18 (2) The employer has no place of business in the United States,
19 but the employer is:

20 (A) an individual who is a resident of this state;

22 state;
23 (C) a partnership, limited liability partnership, or a trust and
24 the number of the partners or trustees who are residents of this
25 state is greater than the number who are residents of any one

26 (1) other state; or
27 (D) an association, a joint venture, an estate, a limited liability
28 company, a joint stock company, or an insurance company
29 (referred to as an "entity" in this clause), and either:

30 (i) the entity is organized under the laws of this state; or
31 (ii) the number of owners, members, or beneficiaries who
32 are residents of this state is greater than the number who are
33 residents of any one (1) other state.

34 (3) None of the criteria of subdivisions (1) and (2) is met but the
35 employer has elected coverage in this state or, the employer
36 having failed to elect coverage in any state, the individual has
37 filed a claim for benefits, based on such service, under the law of
38 this state.

39 (4) An "American employer," for purposes of this subsection,
40 means:

41 (A) an individual who is a resident of the United States;
42 (B) a partnership or limited liability partnership, if two-thirds



1 (2/3) or more of the partners are residents of the United States;
2 (C) a trust, if all of the trustees are residents of the United
3 States; or
4 (D) a corporation, an association, a joint venture, an estate, a
5 limited liability company, a joint stock company, or an
6 insurance company organized or established under the laws of
7 the United States or of any state.

8 (I) The term "employment" also includes the following:

9 (1) Service performed after December 31, 1977, by an individual
10 in agricultural labor (as defined in section 3(c) of this chapter)
11 when the service is performed for an employing unit which:

12 (A) during any calendar quarter in either the current or
13 preceding calendar year paid cash remuneration of twenty
14 thousand dollars (\$20,000) or more to individuals employed in
15 agricultural labor; or

16 (B) for some portion of a day in each of twenty (20) different
17 calendar weeks, whether or not the weeks were consecutive, in
18 either the current or the preceding calendar year, employed in
19 agricultural labor ten (10) or more individuals, regardless of
20 whether they were employed at the same time.

21 (2) For the purposes of this subsection, any individual who is a
22 member of a crew furnished by a crew leader to perform service
23 in agricultural labor for any other person shall be treated as an
24 employee of the crew leader:

25 (A) if the crew leader holds a valid certificate of registration
26 under the Farm Labor Contractor Registration Act of 1963, or
27 substantially all the members of the crew operate or maintain
28 tractors, mechanized harvesting or crop dusting equipment, or
29 any other mechanized equipment, which is provided by the
30 crew leader; and

31 (B) if the individual is not an employee of another person
32 within the meaning of section 1 of this chapter.

33 (3) For the purposes of subdivision (1), in the case of an
34 individual who is furnished by a crew leader to perform service
35 in agricultural labor for any other person and who is not treated as
36 an employee of the crew leader under subdivision (2):

37 (A) the other person and not the crew leader shall be treated as
38 the employer of the individual; and

39 (B) the other person shall be treated as having paid cash
40 remuneration to the individual in an amount equal to the
41 amount of cash remuneration paid to the individual by the
42 crew leader (either on the individual's own behalf or on behalf



of the other person) for the service in agricultural labor performed for the other person.

(4) For the purposes of this subsection, the term "crew leader" means an individual who:

(A) furnishes individuals to perform service in agricultural labor for any other person;

(B) pays (either on the individual's own behalf or on behalf of the other person) the agricultural laborers furnished by the individual for the service in agricultural labor performed by them; and

(C) has not entered into a written agreement with the other person under which the individual is designated as an employee of the other person.

(m) The term "employment" includes domestic service after December 31, 1977, in a private home, local college club, or local chapter of a college fraternity or sorority performed for a person who paid cash remuneration of one thousand dollars (\$1,000) or more after December 31, 1977, in the current calendar year or the preceding calendar year to individuals employed in the domestic service in any calendar quarter.

SECTION 8. IC 22-4-10-3, AS AMENDED BY P.L.2-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) This subsection applies before January 1, 2011. Except as provided in section 1(b) through 1(e) of this chapter, each employer shall pay contributions equal to five and six-tenths percent (5.6%) of wages, except as otherwise provided in IC 22-4-11-2, IC 22-4-11-3, IC 22-4-11-5, and IC 22-4-37-3.

(b) This subsection applies after December 31, 2010. Except as provided in section 1(b) through 1(e) of this chapter and IC 22-4-37-3, each employer shall pay contributions equal to the amount determined or estimated by the department under section 6 of this chapter, IC 22-4-11-2, IC 22-4-11-3.5, and IC 22-4-11.5.

SECTION 9. IC 22-4-11-0.1, AS ADDED BY P.L.220-2011, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.1. The amendments made to section 1 of this chapter by P.L.172-1991 apply to individuals who file a disaster unemployment **assistance** claim or a state unemployment insurance claim after June 1, 1990, and before June 2, 1991, or during a period to be determined by the general assembly.

SECTION 10. IC 22-4-11-2, AS AMENDED BY P.L.200-2025, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Except as provided in IC 22-4-10-6 and



1 IC 22-4-11.5, the department shall for each year determine the
2 contribution rate applicable to each employer.

3 (b) The balance shall include contributions with respect to the
4 period ending on the computation date and actually paid on or before
5 July 31 immediately following the computation date and benefits
6 actually paid on or before the computation date and shall also include
7 any voluntary payments made in accordance with IC 22-4-10-5 or
8 IC 22-4-10-5.5 (repealed):

9 (1) for each calendar year, an employer's rate shall be determined
10 in accordance with the rate schedules in section 3.3 or 3.5 of this
11 chapter; and

12 (2) for each calendar year, an employer's rate shall be two and
13 five-tenths percent (2.5%), except as otherwise provided in
14 subsection (g) or IC 22-4-37-3, unless:

15 (A) the employer has been subject to this article throughout
16 the thirty-six (36) consecutive calendar months immediately
17 preceding the computation date; **and**

18 (B) there has been some annual payroll in each of the three (3)
19 twelve (12) month periods immediately preceding the
20 computation date. **and**

21 (C) the employer has properly filed all required contribution
22 and wage reports, and all contributions, penalties, and interest
23 due and owing by the employer or the employer's predecessors
24 have been paid.

25 (c) In addition to the conditions and requirements set forth and
26 provided in subsection (b)(2)(A) **and** (b)(2)(B), **and** (b)(2)(C), an
27 employer's rate is equal to the sum of the employer's contribution rate
28 determined or estimated by the department under this article plus two
29 percent (2%) unless all required contributions and wage reports have
30 been filed within thirty-one (31) days following the computation date
31 and all contributions, penalties, and interest due and owing by the
32 employer or the employer's predecessor for periods before and
33 including the computation date have been paid:

34 (1) within thirty-one (31) days following the computation date; or
35 (2) within ten (10) days after the department has given the
36 employer a written notice by mail of:

37 (A) the delinquency; or

38 (B) failure to file the reports;

39 whichever is the later date. The department or the department's
40 designee may waive the imposition of rates under this subsection if the
41 department finds the employer's failure to meet the deadlines was for
42 excusable cause. The department shall give written notice to the



1 employer before this additional condition or requirement shall apply.
 2 An employer's rate under this subsection may not exceed twelve
 3 percent (12%).

4 (d) However, if the employer is the state or a political subdivision
 5 of the state or any instrumentality of a state or a political subdivision,
 6 or any instrumentality which is wholly owned by the state and one (1)
 7 or more other states or political subdivisions, the employer may
 8 contribute at a rate of one and six-tenths percent (1.6%) until it has
 9 been subject to this article throughout the thirty-six (36) consecutive
 10 calendar months immediately preceding the computation date.

11 (e) On the computation date every employer who had taxable wages
 12 in the previous calendar year shall have the employer's experience
 13 account charged with the amount determined under the following
 14 formula:

15 STEP ONE: Divide:

16 (A) the employer's taxable wages for the preceding calendar
 17 year; by
 18 (B) the total taxable wages for the preceding calendar year.

19 STEP TWO: Subtract:

20 (A) the amount described in IC 22-4-10-4.5(e)(2), if any; from
 21 (B) the total amount of benefits charged to the fund under
 22 section 1 of this chapter.

23 STEP THREE: Multiply the quotient determined under STEP
 24 ONE by the difference determined under STEP TWO.

25 (f) One (1) percentage point of the rate imposed under subsection
 26 (c), or the amount of the employer's payment that is attributable to the
 27 increase in the contribution rate, whichever is less, shall be imposed as
 28 a penalty that is due and shall be deposited upon collection into the
 29 special employment and training services fund established under
 30 IC 22-4-25-1. The remainder of the contributions paid by an employer
 31 pursuant to the maximum rate shall be:

32 (1) considered a contribution for the purposes of this article; and
 33 (2) deposited in the unemployment insurance benefit fund
 34 established under IC 22-4-26.

35 (g) Except as otherwise provided in IC 22-4-37-3, this subsection,
 36 instead of subsection (b)(2), applies to an employer in the construction
 37 industry. As used in the subsection, "construction industry" means
 38 business establishments whose proper primary classification in the
 39 current edition of the North American Industry Classification System
 40 Manual - United States, published by the National Technical
 41 Information Service of the United States Department of Commerce is
 42 23 (construction). For each calendar year beginning after December 31,



1 2013, an employer's rate shall be equal to the lesser of four percent
 2 (4%) or the average of the contribution rates paid by all employers in
 3 the construction industry subject to this article during the twelve (12)
 4 months preceding the computation date, unless:

5 (1) the employer has been subject to this article throughout the
 6 thirty-six (36) consecutive calendar months immediately
 7 preceding the computation date;
 8 (2) there has been some annual payroll in each of the three (3)
 9 twelve (12) month periods immediately preceding the
 10 computation date; and
 11 (3) the employer has properly filed all required contribution and
 12 wage reports, and all contributions, penalties, and interest due and
 13 owing by the employer or the employer's predecessors have been
 14 paid.

15 (h) The department shall satisfy the notice requirement in
 16 subsection (c) by sending:

17 (1) physical mail to the employer's last known address; or
 18 (2) electronic mail to an electronic mail address provided to the
 19 department by the employer or a representative of the employer.

20 However, if electronic mail is used and the department does not receive
 21 a receipt or electronic confirmation within five (5) days of
 22 transmission, the notice is insufficient and notice must be sent by
 23 physical mail as soon as practicable.

24 SECTION 11. IC 22-4-12-0.1, AS ADDED BY P.L.220-2011,
 25 SECTION 365, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: Sec. 0.1. The amendments made to
 27 section 4 of this chapter by P.L.172-1991 apply to individuals who file
 28 a disaster unemployment **assistance** claim or a state unemployment
 29 insurance claim after June 1, 1990, and before June 2, 1991, or during
 30 a period to be determined by the general assembly.

31 SECTION 12. IC 22-4-12-1, AS AMENDED BY P.L.108-2006,
 32 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 1. **(a)** Benefits designated as unemployment
 34 insurance benefits shall become payable from the fund to any
 35 individual who is or becomes unemployed and eligible for benefits
 36 under the terms of this article.

37 **(b)** All benefits shall be paid through the department or such other
 38 agencies as the department by rule may designate at such times and in
 39 such manner as the department may prescribe.

40 **(c) Except as provided in subsection (d), the department may
 41 make direct deposit disbursements with respect to the payment of
 42 benefits to a financial institution account designated by an**



1 **individual only if the financial institution:**
 2 (1) **has a physical branch location in Indiana; or**
 3 (2) **is designated as an approved depository by the treasurer**
 4 **of state.**

5 **(d) The department may approve a financial institution that**
 6 **does not qualify under subsection (c)(1) or (c)(2) if the financial**
 7 **institution is in compliance with:**

8 (1) **IC 22-4-17-7, IC 22-4-17-8, and IC 22-4-19; and**
 9 (2) **any additional requirements deemed necessary by the**
 10 **department.**

11 **(e) The department may adopt rules to provide for the payment of**
 12 **benefits due and payable on executed vouchers to persons since**
 13 **deceased. Benefits so due and payable may be paid to the legal**
 14 **representative, dependents, or next of kin of the deceased as are found**
 15 **to be entitled thereto, which rules need not conform with the laws of**
 16 **the state governing decedent estates, and every such payment shall be**
 17 **deemed a valid payment to the same extent as if made to the legal**
 18 **representative of the deceased.**

19 SECTION 13. IC 22-4-12-2, AS AMENDED BY P.L.2-2011,
 20 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 2. (a) **With respect to initial claims filed for any**
 22 **week beginning on and after July 1, 1997, and before July 1, 2012,**
 23 **each eligible individual who is totally unemployed (as defined in**
 24 **IC 22-4-3-1) in any week in the individual's benefit period shall be paid**
 25 **for the week, if properly claimed, benefits at the rate of:**

26 (1) **five percent (5%) of the first two thousand dollars (\$2,000) of**
 27 **the individual's wage credits in the calendar quarter during the**
 28 **individual's base period in which the wage credits were highest;**
 29 **and**
 30 (2) **four percent (4%) of the individual's remaining wage credits**
 31 **in the calendar quarter during the individual's base period in**
 32 **which the wage credits were highest.**

33 (b) **(a) With respect to initial claims filed for any week beginning on**
 34 **and after July 1, 2012, Each eligible individual who is totally**
 35 **unemployed (as defined in IC 22-4-3-1) in any week in the individual's**
 36 **benefit period shall be paid for the week, if properly claimed, an**
 37 **amount equal to forty-seven percent (47%) of the individual's prior**
 38 **average weekly wage, rounded (if not already a multiple of one dollar**
 39 **(\$1)) to the next lower dollar. However, the maximum weekly benefit**
 40 **amount may not exceed three hundred ninety dollars (\$390).**

41 (c) **(b) For purposes of this section, "prior average weekly wage"**
 42 **means the result of:**



4 SECTION 14. IC 22-4-12-4, AS AMENDED BY P.L.200-2025,
5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 4. (a) Benefits shall be computed upon the basis
7 of wage credits of an individual in the individual's base period. Wage
8 credits shall be reported by the employer and credited to the individual
9 in the manner prescribed by the department. With respect to initial
10 claims filed for any week beginning on and after July 7, 1991, the
11 maximum total amount of benefits payable to any eligible individual
12 during any benefit period shall not exceed twenty-six (26) times the
13 individual's weekly benefit, or twenty-eight percent (28%) of the
14 individual's wage credits with respect to the individual's base period,
15 whichever is less. If such maximum total amount of benefits is not a
16 multiple of one dollar (\$1), it shall be computed to the next lower
17 multiple of one dollar (\$1).

18 (b) Except as provided in subsection (d), the total extended benefit
19 amount payable to any eligible individual with respect to the
20 individual's applicable benefit period shall be fifty percent (50%) of the
21 total amount of regular benefits (including dependents' allowances)
22 which were payable to the individual under this article in the applicable
23 benefit year, or thirteen (13) times the weekly benefit amount
24 (including dependents' allowances) which was payable to the individual
25 under this article for a week of total unemployment in the applicable
26 benefit year, whichever is the lesser amount.

27 (c) This subsection applies to individuals who file a disaster
28 unemployment **assistance** claim, or a state **unemployment insurance**
29 claim after June 1, 1990, and before June 2, 1991, or during another
30 time specified in another state statute. An individual is entitled to **may**
31 **be eligible for** thirteen (13) weeks of additional benefits as originally
32 determined, if:

33 (1) the individual has established:

34 (A) a disaster unemployment **assistance** claim under the

35 Stafford Disaster Relief and Emergency Assistance Act; or

36 (B) a state unemployment insurance claim as a direct result of

37 a major disaster;

38 (2) all regular benefits and all disaster unemployment assistance

39 benefits:

40 (A) have been exhausted by the individual; or

41 (B) are no longer payable to the individual due to the

42 expiration of the disaster assistance period; and



3 (d) For purposes of this subsection, "high unemployment period"
4 means a period during which an extended benefit period would be in
5 effect if IC 22-4-14-6.9(d)(1) were applied by substituting "eight
6 percent (8%)" for "six and five-tenths percent (6.5%)". Effective with
7 respect to weeks beginning in a high unemployment period, the total
8 extended benefit amount payable to an eligible individual with respect
9 to the applicable benefit year is equal to the least of the following
10 amounts:

14 (2) Twenty(20) times the weekly benefit amount that was payable
15 to the eligible individual under this article for a week of total
16 unemployment in the applicable benefit year.

17 (3) Forty-six (46) times the weekly benefit amount that was
18 payable to the eligible individual under this article for a week of
19 total unemployment in the applicable benefit year, reduced by the
20 regular unemployment compensation benefits paid (or deemed
21 paid) during the benefit year.

22 This subsection expires on the later of December 5, 2009, or the week
23 ending four (4) weeks before the last week for which federal sharing is
24 authorized by Section 2005(a) of Division B, Title II (the federal
25 Assistance to Unemployed Workers and Struggling Families Act) of
26 the federal American Recovery and Reinvestment Act of 2009 (P.L.
27 111-5).

(e) For purposes of this subsection, "high unemployment period" means a period during which an extended benefit period would be in effect if IC 22-4-14-6.9(h)(1) were applied by substituting "eight percent (8%)" for "six and one-half percent (6.5%)". Effective with respect to weeks of unemployment beginning after March 1, 2011, and ending on the later of December 10, 2011, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to Unemployed and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5), in a high unemployment period, the total extended benefit amount payable to an eligible individual with respect to the applicable benefit year is equal to the lesser of the following amounts:

41 (1) Eighty percent (80%) of the total amount of regular benefits
42 that were payable to the eligible individual under this article in



the applicable benefit year.

(2) Twenty (20) times the weekly benefit amount that was payable to the eligible individual under this article for a week of total unemployment in the applicable benefit year.

SECTION 15. IC 22-4-14-1, AS AMENDED BY P.L.2-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as provided in IC 22-4-5-1 or subsection (b), ~~or (e)~~, an unemployed individual shall be eligible to receive benefits with respect to any week only if the individual has made a claim for benefits in accordance with IC 22-4-17.

(b) A person who:

(1) accepts a layoff under an inverse seniority clause of a validly negotiated contract; and

(2) otherwise meets the eligibility requirements established by this article;

16 is entitled to receive benefits in the same amounts, under the same
17 terms, and subject to the same conditions as any other unemployed
18 person.

(c) This subsection applies to initial claims for unemployment filed for a week that begins after March 14, 2008, and before October 1, 2011. This subsection does not apply to a person who elects to retire in connection with a layoff or plant closure and receive pension, retirement, or annuity payments. Except as provided in IC 22-4-5-1, a person who:

(1) accepts an offer of payment or other compensation offered by an employer to avert or lessen the effect of a layoff or plant closure; and

(2) otherwise meets the eligibility requirements established by this article;

30 is entitled to receive benefits in the same amounts, under the same
31 terms, and subject to the same conditions as any other unemployed
32 person.

SECTION 16. IC 22-4-14-5, AS AMENDED BY P.L.183-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) As further conditions precedent to the payment of benefits to an individual with respect to benefit periods established on and after July 1, 1995, but before January 1, 2010:

(1) the individual must have established, after the last day of the individual's last base period, if any, wage credits (as defined in IC 22-4-4-3 and within the meaning of IC 22-4-22-3) equal to at least one and one-quarter (1.25) times the wages paid to the individual in the calendar quarter in which the individual's wages



were highest; and

(2) the individual must have established wage credits in the last two (2) calendar quarters of the individual's base period in a total amount of not less than one thousand six hundred fifty dollars (\$1,650) and an aggregate in the four (4) calendar quarters of the individual's base period of not less than two thousand seven hundred fifty dollars (\$2,750).

(b) As a further condition precedent to the payment of benefits to an individual with respect to a benefit year established on and after July 1, 1995, An insured worker may not receive benefits in a benefit year unless:

(1) after the beginning of the immediately preceding benefit year during which the individual received benefits, the individual:

(+) (A) performed insured work;

(2) (B) earned remuneration in employment in at least each of eight (8) weeks; and

(3) (C) earned remuneration equal to or exceeding the product of the individual's weekly benefit amount multiplied by eight (8);

(c) As further conditions precedent to the payment of benefits to an individual with respect to benefit periods established on and after January 1, 2010:

(†) (2) the individual must have established, after the last day of the individual's last base period, if any, wage credits (as defined in IC 22-4-4-3 and within the meaning of wages under IC 22-4-22-3) equal to at least one and five-tenths (1.5) times the wages paid to the individual in the calendar quarter in which the individual's wages were highest; and

(2) (3) the individual **must have has** established wage credits in the last two (2) calendar quarters of the individual's base period in a total amount of not less than two thousand five hundred dollars (\$2,500) and a total amount in the four (4) calendar quarters of the individual's base period of not less than four thousand two hundred dollars (\$4,200).

SECTION 17. IC 22-4-17-2, AS AMENDED BY P.L.200-2025, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) When an individual files an initial claim, the department shall promptly make a determination of the individual's status as an insured worker. A notice of the determination of insured status shall be furnished to the individual promptly. Each determination shall be based on and include a statement showing the amount of wages paid to the individual for insured work by each employer during the



1 individual's base period and shall include a finding as to whether the
2 wages meet the requirements for the individual to be an insured
3 worker, and, if so, the week ending date of the first week of the
4 individual's benefit period, the individual's weekly benefit amount, and
5 the maximum amount of benefits that may be paid to the individual for
6 weeks of unemployment in the individual's benefit period. For the
7 individual who is not insured, the notice shall include the reason for the
8 determination. The following apply in regard to the determination:

9 (1) Unless the individual, within fifteen (15) days after the
10 determination was sent by the department to the individual, asks
11 for a hearing before an administrative law judge, the
12 determination shall be final and benefits shall be paid or denied
13 in accordance with the determination. ~~The date listed under date
14 sent on the determination of eligibility is prima facie evidence
15 that the determination was sent to the party on that date.~~

16 (2) If an individual asks for a wage investigation, the
17 unemployment insurance tax division shall promptly perform an
18 investigation to determine whether wages from insured work
19 should be added or subtracted from the claim. A determination of
20 the wage investigation shall be furnished to the individual
21 promptly upon completion. Unless the individual, within fifteen
22 (15) days after the determination was sent by the unemployment
23 insurance tax division, requests an appeal to a liability
24 administrative law judge under IC 22-4-32-1, the determination
25 shall be final.

26 (b) The department shall promptly furnish each employer in the base
27 period whose experience or reimbursable account is potentially
28 chargeable with benefits to be paid to the individual with a notice of
29 the employer's benefit liability. The notice shall contain the date, the
30 name and Social Security account number of the individual, the ending
31 date of the individual's base period, and the week ending date of the
32 first week of the individual's benefit period. The notice shall further
33 contain information as to the proportion of benefits chargeable to the
34 employer's experience or reimbursable account in ratio to the earnings
35 of the individual from the employer. Unless the employer within fifteen
36 (15) days after the notice of benefit liability was sent by the department
37 to the employer, asks for a hearing before a liability administrative law
38 judge, the determination shall be final and benefits paid shall be
39 charged in accordance with the determination.

40 (c) An employing unit, including an employer, having knowledge
41 of any facts which may affect an individual's eligibility or right to
42 waiting period credits or benefits, shall notify the department in the



1 form and manner prescribed by the department of those facts within ten
2 (10) days after the claim for benefits was sent by the department.

3 (d) In addition to the foregoing determination of insured status by
4 the department, the deputy shall, throughout the benefit period,
5 determine the claimant's eligibility with respect to each week for which
6 the claimant claims waiting period credit or benefit rights, the validity
7 of the claimant's claim, and the cause for which the claimant left the
8 claimant's work, or may refer the claim to an administrative law judge
9 who shall make the initial determination in accordance with the
10 procedure in section 3 of this chapter.

11 (e) In cases where the claimant's benefit eligibility or
12 disqualification is disputed, the department shall promptly notify the
13 claimant and the employer or employers directly involved or connected
14 with the issue raised as to the validity of the claim, the eligibility of the
15 claimant for waiting period credit or benefits, or the imposition of a
16 disqualification period or penalty, or the denial of the claim, and of the
17 cause for which the claimant left the claimant's work, of the
18 determination and the reasons for the determination.

19 (f) Except as otherwise provided in this section regarding parties
20 located in Alaska, Hawaii, and Puerto Rico, unless the claimant or the
21 employer, within fifteen (15) days after the notification required by
22 subsection (e), was sent by the department to the claimant or the
23 employer, asks for a hearing before an administrative law judge, the
24 decision shall be final and benefits shall be paid or denied in
25 accordance with the decision.

26 (g) For a notice of disputed administrative determination or decision
27 sent by the department to the claimant or employer either of whom is
28 located in Alaska, Hawaii, or Puerto Rico, unless the claimant or
29 employer, within fifteen (15) days after the notification required by
30 subsection (e) was sent to the claimant or employer, asks for a hearing
31 before an administrative law judge, the decision shall be final and
32 benefits shall be paid or denied in accordance with the decision.

33 (h) If a claimant or an employer requests a hearing under subsection
34 (f) or (g), the request shall be filed with the department within the
35 prescribed periods provided in this section and shall be in the form and
36 manner prescribed by the department. In the event a hearing is
37 requested by an employer or the department after it has been
38 administratively determined that benefits should be allowed to a
39 claimant, entitled benefits shall continue to be paid to the claimant
40 unless the administrative determination has been reversed by a due
41 process hearing. Benefits with respect to any week not in dispute shall
42 be paid promptly regardless of any appeal.



(j) Solely on the ground of obvious administrative error appearing on the face of an original determination, and within the benefit year of the affected claims, the commissioner, or a representative authorized by the commissioner to act in the commissioner's behalf, may reconsider and direct the deputy to revise the original determination so as to correct the obvious error. Time for filing an appeal and requesting a hearing before an administrative law judge regarding the determinations handed down pursuant to this subsection shall begin on the date following the date of revision of the original determination and shall be filed with the commissioner in the form and manner prescribed by the department within the prescribed periods provided in subsection (c).

(k) Notice to the employer and the claimant that the determination of the department is final if a hearing is not requested shall be prominently displayed on the notice of the determination which is sent to the employer and the claimant.

23 (m) All individuals who have not previously verified their identity
24 with the department shall, prior to filing a new claim for unemployment
25 benefits, verify their identity in the form and manner prescribed by the
26 department.

27 (n) An individual is ineligible for unemployment benefits or
28 extended benefits unless the individual has verified the individual's
29 identity in the form and manner prescribed by the department.



COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 162, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 15, line 42, delete "if:" and insert "**if the financial institution:**

- (1) has a physical branch location in Indiana; or**
- (2) is designated as an approved depository by the treasurer of state.".**

Page 16, delete lines 1 through 3.

and when so amended that said bill do pass.

(Reference is to SB 162 as introduced.)

ROGERS, Chairperson

Committee Vote: Yeas 11, Nays 0.

SENATE MOTION

Mr. President: I move that Senate Bill 162 be amended to read as follows:

Page 15, line 40, delete "The" and insert "**Except as provided in subsection (d), the**".

Page 16, between lines 3 and 4, begin a new paragraph and insert:

"(d) The department may approve a financial institution that does not qualify under subsection (c)(1) or (c)(2) if the financial institution is in compliance with:

- (1) IC 22-4-17-7, IC 22-4-17-8, and IC 22-4-19; and**
- (2) any additional requirements deemed necessary by the department."**

Page 16, line 4, delete "(d)" and insert "(e)".

(Reference is to SB 162 as printed January 9, 2026.)

ROGERS

