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SENATE BILL No. 162

Proposed Changes to introduced printing by AM016201

DIGEST OF PROPOSED AMENDMENT

Financial institutions. Provides that the department of workforce development may make certain direct deposit disbursements only if a financial institution has a physical branch location in Indiana or is designated as an approved depository by the treasurer of state.

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
18 (B) the amount (if any) of supplemental unemployment
19 compensation benefits (as defined in Section 501(c)(17)(D)

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1 of the Internal Revenue Code) payable to the individual for
 2 the week.

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

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

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

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

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

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

23 (b) For calendar quarters beginning on and after July 1, 1998, and
 24 before July 1, 1999, "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 five thousand six hundred dollars (\$5,600) and may not include
 29 payments that are excluded from the definition of wages under section
 30 2 of this chapter.

31 (c) For calendar quarters beginning on and after July 1, 1999, and
 32 before July 1, 2000, "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 five thousand eight hundred dollars (\$5,800) and may not
 37 include payments that are excluded from the definition of wages under
 38 section 2 of this chapter.

39 (d) For calendar quarters beginning on and after July 1, 2000, and
 40 before July 1, 2001, "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 six thousand seven hundred dollars (\$6,700) and may not
 3 include payments that are excluded from the definition of wages under
 4 section 2 of this chapter.

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

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

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

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

37 (i) For calendar quarters beginning on and after July 1, 2005, and
 38 before July 1, 2012, "wage credits" means remuneration paid for
 39 employment by an employer to an individual and remuneration
 40 received as tips or gratuities in accordance with Sections 3102 and
 41 3301 et seq. of the Internal Revenue Code. Wage credits may not
 42 exceed nine thousand two hundred fifty dollars (\$9,250) and may not



1 include payments that are excluded from the definition of wages under
 2 section 2 of this chapter.

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

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

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

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

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

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

25 (3) Vacation pay.

26 (4) (3) Pay for idle time.

27 (5) Sick pay.

28 (6) (4) Traveling expenses granted to an individual by an
 29 employing unit and not fully accounted for by such individual.

30 (7) (5) Net earnings from self-employment.

31 (8) (6) Payments in lieu of compensation for services.

32 (9) (7) Awards by the National Labor Relations Board of
 33 additional pay, back pay, or for loss of employment, or any such
 34 payments made under an agreement entered into by an employer,
 35 a union, and the National Labor Relations Board.

36 (10) (8) Payments made to an individual by an employing unit
 37 pursuant to the terms of the Fair Labor Standards Act (Federal
 38 Wage and Hour Law, 29 U.S.C. 201 et seq.).

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

42 (c) For the purpose of deductible income only, remuneration for



1 services from employing units does not include holiday pay, **sick pay**,
 2 **vacation pay**, bonuses, gifts, or prizes awarded to an employee by an
 3 employing unit.

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

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

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

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

22 (c) (b) Pay for:

23 (1) idle time;
 24 (2) sick pay;

25 (3) (2) traveling expenses granted to an individual by an
 26 employing unit and not fully accounted for by such individual;
 27 (4) (3) earnings from self-employment;

28 (5) (4) awards by the National Labor Relations Board of
 29 additional pay, back pay, or for loss of employment;

30 (6) (5) payments made under an agreement entered into by an
 31 employer, a union, and the National Labor Relations Board; or
 32 (7) (6) payments to an employee by an employing unit made
 33 pursuant to the terms and provisions of the Fair Labor Standards
 34 Act;

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

42 (d) Payment of vacation pay shall be deemed deductible income



1 with respect to the week or weeks falling within such vacation period
 2 for which vacation payment is made.

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

7 (b) If:

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

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

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

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

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

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

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

4 **(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:

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
28 the service is performed but the individual's residence is in
29 Indiana; 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.

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

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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
 28 the 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
 33 or any instrumentality of the state or a political subdivision, or
 34 any instrumentality which is wholly owned by the state and one
 35 (1) or more other states or political subdivisions, if the service is
 36 excluded from "employment" as defined in Section 3306(c)(7)
 37 of 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

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1 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.

(1) The employer's principal place of business in the United States is located in this state.

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

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

(B) a corporation which is organized under the laws of this state;

(C) a partnership, limited liability partnership, or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any one (1) other state; or

(D) an association, a joint venture, an estate, a limited liability company, a joint stock company, or an insurance company (referred to as an "entity" in this clause), and either:

(i) the entity is organized under the laws of this state;
or

(ii) the number of owners, members, or beneficiaries who are residents of this state is greater than the number who are residents of any one (1) other state.

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

6 (4) An "American employer," for purposes of this subsection,
 7 means:

- 8 (A) an individual who is a resident of the United States;
- 9 (B) a partnership or limited liability partnership, if
 10 two-thirds (2/3) or more of the partners are residents of the
 11 United States;
- 12 (C) a trust, if all of the trustees are residents of the United
 13 States; or
- 14 (D) a corporation, an association, a joint venture, an estate,
 15 a limited liability company, a joint stock company, or an
 16 insurance company organized or established under the laws
 17 of the United States or of any state.

18 (l) The term "employment" also includes the following:

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

- 22 (A) during any calendar quarter in either the current or
 23 preceding calendar year paid cash remuneration of twenty
 24 thousand dollars (\$20,000) or more to individuals employed
 25 in agricultural labor; or
- 26 (B) for some portion of a day in each of twenty (20)
 27 different calendar weeks, whether or not the weeks were
 28 consecutive, in either the current or the preceding calendar
 29 year, employed in agricultural labor ten (10) or more
 30 individuals, regardless of whether they were employed at
 31 the same time.

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

- 36 (A) if the crew leader holds a valid certificate of registration
 37 under the Farm Labor Contractor Registration Act of 1963,
 38 or substantially all the members of the crew operate or
 39 maintain tractors, mechanized harvesting or crop dusting
 40 equipment, or any other mechanized equipment, which is
 41 provided by the crew leader; and
- 42 (B) if the individual is not an employee of another person



within the meaning of section 1 of this chapter.

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

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

(B) the other person shall be treated as having paid cash remuneration to the individual in an amount equal to the amount of cash remuneration paid to the individual by the 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,



1 IC 22-4-11-2, IC 22-4-11-3.5, and IC 22-4-11.5.

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

9 SECTION 10. IC 22-4-11-2, AS AMENDED BY P.L.200-2025,
 10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2026]: Sec. 2. (a) Except as provided in IC 22-4-10-6 and
 12 IC 22-4-11.5, the department shall for each year determine the
 13 contribution rate applicable to each employer.

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

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

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

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

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

32 (C) ~~the employer has properly filed all required contribution
 33 and wage reports; and all contributions, penalties, and
 34 interest due and owing by the employer or the employer's
 35 predecessors have been paid.~~

36 (c) In addition to the conditions and requirements set forth and
 37 provided in subsection (b)(2)(A) **and** (b)(2)(B), ~~and (b)(2)(C)~~, an
 38 employer's rate is equal to the sum of the employer's contribution rate
 39 determined or estimated by the department under this article plus two
 40 percent (2%) unless all required contributions and wage reports have
 41 been filed within thirty-one (31) days following the computation date
 42 and all contributions, penalties, and interest due and owing by the



1 employer or the employer's predecessor for periods before and
2 including the computation date have been paid;

3 (1) within thirty-one (31) days following the computation date;
4 or

5 (2) within ten (10) days after the department has given the
6 employer a written notice by mail of:

7 (A) the delinquency; or
8 (B) failure to file the reports;

9 whichever is the later date. The department or the department's
10 designee may waive the imposition of rates under this subsection if the
11 department finds the employer's failure to meet the deadlines was for
12 excusable cause. The department shall give written notice to the
13 employer before this additional condition or requirement shall apply.
14 An employer's rate under this subsection may not exceed twelve
15 percent (12%).

27 STEP ONE: Divide:

28 (A) the employer's taxable wages for the preceding calendar
29 year; by

30 (B) the total taxable wages for the preceding calendar year.

31 STEP TWO: Subtract:

32 (A) the amount described in IC 22-4-10-4.5(e)(2), if any;
33 from

34 (B) the total amount of benefits charged to the fund under
35 section 1 of this chapter.



1 IC 22-4-25-1. The remainder of the contributions paid by an employer
2 pursuant to the maximum rate shall be:

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

(g) Except as otherwise provided in IC 22-4-37-3, this subsection, instead of subsection (b)(2), applies to an employer in the construction industry. As used in the subsection, "construction industry" means business establishments whose proper primary classification in the current edition of the North American Industry Classification System Manual - United States, published by the National Technical Information Service of the United States Department of Commerce is 23 (construction). For each calendar year beginning after December 31, 2013, an employer's rate shall be equal to the lesser of four percent (4%) or the average of the contribution rates paid by all employers in the construction industry subject to this article during the twelve (12) months preceding the computation date, unless:

18 (1) the employer has been subject to this article throughout the
19 thirty-six (36) consecutive calendar months immediately
20 preceding the computation date;

24 (3) the employer has properly filed all required contribution and
25 wage reports, and all contributions, penalties, and interest due
26 and owing by the employer or the employer's predecessors have
27 been paid.

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

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

37 SECTION 11. IC 22-4-12-0.1, AS ADDED BY P.L.220-2011,
38 SECTION 365, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2026]: Sec. 0.1. The amendments made to
40 section 4 of this chapter by P.L.172-1991 apply to individuals who file
41 a disaster unemployment **assistance** claim or a state unemployment
42 insurance claim after June 1, 1990, and before June 2, 1991, or during

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1 a period to be determined by the general assembly.

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

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

11 **(c) The department may make direct deposit disbursements
 12 with respect to the payment of benefits to a financial institution
 13 account designated by an individual only if** ~~←~~

14 ~~←~~ **(1) the financial institution:**

15 **(1) has a physical [branch] location in Indiana; ~~and~~ [or]**
 16 **(2) ~~account disputes can be resolved at~~ [is designated as an**
 17 **approved depository by] the ~~physical location~~ [treasurer of**
 18 **state].**

19 **(d)** The department may adopt rules to provide for the payment of
 20 benefits due and payable on executed vouchers to persons since
 21 deceased. Benefits so due and payable may be paid to the legal
 22 representative, dependents, or next of kin of the deceased as are found
 23 to be entitled thereto, which rules need not conform with the laws of
 24 the state governing decedent estates, and every such payment shall be
 25 deemed a valid payment to the same extent as if made to the legal
 26 representative of the deceased.

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

34 **(1) five percent (5%) of the first two thousand dollars (\$2,000)**
 35 **of the individual's wage credits in the calendar quarter during the**
 36 **individual's base period in which the wage credits were highest;**
 37 **and**

38 **(2) four percent (4%) of the individual's remaining wage credits**
 39 **in the calendar quarter during the individual's base period in**
 40 **which the wage credits were highest.**

41 **(b) (a) With respect to initial claims filed for any week beginning**
 42 **on and after July 1, 2012, Each eligible individual who is totally**



1 unemployed (as defined in IC 22-4-3-1) in any week in the individual's
 2 benefit period shall be paid for the week, if properly claimed, an
 3 amount equal to forty-seven percent (47%) of the individual's prior
 4 average weekly wage, rounded (if not already a multiple of one dollar
 5 (\$1)) to the next lower dollar. However, the maximum weekly benefit
 6 amount may not exceed three hundred ninety dollars (\$390).

7 (e) (b) For purposes of this section, "prior average weekly wage"
 8 means the result of:

9 (1) the individual's total wage credits during the individual's base
 10 period; divided by
 11 (2) fifty-two (52).

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

26 (b) Except as provided in subsection (d), the total extended benefit
 27 amount payable to any eligible individual with respect to the
 28 individual's applicable benefit period shall be fifty percent (50%) of the
 29 total amount of regular benefits (including dependents' allowances)
 30 which were payable to the individual under this article in the applicable
 31 benefit year, or thirteen (13) times the weekly benefit amount [
 32] (including dependents' allowances) which was payable to the
 33 individual under this article for a week of total unemployment in the
 34 applicable benefit year, whichever is the lesser amount.

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

41 (1) the individual has established:
 42 (A) a disaster unemployment **assistance** claim under the



1 Stafford Disaster Relief and Emergency Assistance Act; or
2 (B) a state unemployment insurance claim as a direct result
3 of a major disaster;

4 (2) all regular benefits and all disaster unemployment assistance
5 benefits:

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

7 (B) are no longer payable to the individual due to the
8 expiration of the disaster assistance period; and

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

(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.

(3) Forty-six (46) 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, reduced by the regular unemployment compensation benefits paid (or deemed paid) during the benefit year.

30 This subsection expires on the later of December 5, 2009, or the week
31 ending four (4) weeks before the last week for which federal sharing is
32 authorized by Section 2005(a) of Division B, Title II (the federal
33 Assistance to Unemployed Workers and Struggling Families Act) of
34 the federal American Recovery and Reinvestment Act of 2009 (P.L.
35 111-5).

36 (e) For purposes of this subsection, "high unemployment period"
37 means a period during which an extended benefit period would be in
38 effect if IC 22-4-14-6.9(h)(1) were applied by substituting "eight
39 percent (8%)" for "six and one-half percent (6.5%)". Effective with
40 respect to weeks of unemployment beginning after March 1, 2011, and
41 ending on the later of December 10, 2011, or the week ending four (4)
42 weeks before the last week for which federal sharing is authorized by



1 Section 2005(a) of Division B, Title II (the federal Assistance to
 2 Unemployed and Struggling Families Act) of the federal American
 3 Recovery and Reinvestment Act of 2009 (P.L. 111-5), in a high
 4 unemployment period, the total extended benefit amount payable to an
 5 eligible individual with respect to the applicable benefit year is equal
 6 to the lesser of the following amounts:

7 (1) Eighty percent (80%) of the total amount of regular benefits
 8 that were payable to the eligible individual under this article in
 9 the applicable benefit year.
 10 (2) Twenty (20) times the weekly benefit amount that was
 11 payable to the eligible individual under this article for a week of
 12 total unemployment in the applicable benefit year.

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

19 (b) A person who:

20 (1) accepts a layoff under an inverse seniority clause of a validly
 21 negotiated contract; and
 22 (2) otherwise meets the eligibility requirements established by
 23 this article;

24 is entitled to receive benefits in the same amounts, under the same
 25 terms, and subject to the same conditions as any other unemployed
 26 person.

27 (c) This subsection applies to initial claims for unemployment
 28 filed for a week that begins after March 14, 2008, and before October
 29 1, 2011. This subsection does not apply to a person who elects to retire
 30 in connection with a layoff or plant closure and receive pension,
 31 retirement, or annuity payments. Except as provided in IC 22-4-5-1, a
 32 person who:

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

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

38 is entitled to receive benefits in the same amounts, under the same
 39 terms, and subject to the same conditions as any other unemployed
 40 person.

41 SECTION 16. IC 22-4-14-5, AS AMENDED BY P.L.183-2015,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 5. (a) As further conditions precedent to the
 2 payment of benefits to an individual with respect to benefit periods
 3 established on and after July 1, 1995, but before January 1, 2010:

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

10 (2) the individual must have established wage credits in the last
 11 two (2) calendar quarters of the individual's base period in a total
 12 amount of not less than one thousand six hundred fifty dollars
 13 (\$1,650) and an aggregate in the four (4) calendar quarters of the
 14 individual's base period of not less than two thousand seven
 15 hundred fifty dollars (\$2,750).

16 (b) As a further condition precedent to the payment of benefits to
 17 an individual with respect to a benefit year established on and after July
 18 1, 1995, An insured worker may not receive benefits in a benefit year
 19 unless:

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

22 (1) (A) performed insured work;

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

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

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

31 (1) (2) the individual must have has established, after the last
 32 day of the individual's last base period, if any, wage credits (as
 33 defined in IC 22-4-4-3 and within the meaning of wages under
 34 IC 22-4-22-3) equal to at least one and five-tenths (1.5) times the
 35 wages paid to the individual in the calendar quarter in which the
 36 individual's wages were highest; and

37 (2) (3) the individual must have has established wage credits in
 38 the last two (2) calendar quarters of the individual's base period
 39 in a total amount of not less than two thousand five hundred
 40 dollars (\$2,500) and a total amount in the four (4) calendar
 41 quarters of the individual's base period of not less than four
 42 thousand two hundred dollars (\$4,200).



1 SECTION 17. IC 22-4-17-2, AS AMENDED BY P.L.200-2025,
 2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 2. (a) When an individual files an initial claim, the
 4 department shall promptly make a determination of the individual's
 5 status as an insured worker. A notice of the determination of insured
 6 status shall be furnished to the individual promptly. Each determination
 7 shall be based on and include a statement showing the amount of wages
 8 paid to the individual for insured work by each employer during the
 9 individual's base period and shall include a finding as to whether the
 10 wages meet the requirements for the individual to be an insured
 11 worker, and, if so, the week ending date of the first week of the
 12 individual's benefit period, the individual's weekly benefit amount, and
 13 the maximum amount of benefits that may be paid to the individual for
 14 weeks of unemployment in the individual's benefit period. For the
 15 individual who is not insured, the notice shall include the reason for the
 16 determination. The following apply in regard to the determination:

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

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

34 (b) The department shall promptly furnish each employer in the
 35 base period whose experience or reimbursable account is potentially
 36 chargeable with benefits to be paid to the individual with a notice of
 37 the employer's benefit liability. The notice shall contain the date, the
 38 name and Social Security account number of the individual, the ending
 39 date of the individual's base period, and the week ending date of the
 40 first week of the individual's benefit period. The notice shall further
 41 contain information as to the proportion of benefits chargeable to the
 42 employer's experience or reimbursable account in ratio to the earnings



1 of the individual from the employer. Unless the employer within fifteen
 2 (15) days after the notice of benefit liability was sent by the department
 3 to the employer, asks for a hearing before a liability administrative law
 4 judge, the determination shall be final and benefits paid shall be
 5 charged in accordance with the determination.

6 (c) An employing unit, including an employer, having knowledge
 7 of any facts which may affect an individual's eligibility or right to
 8 waiting period credits or benefits, shall notify the department in the
 9 form and manner prescribed by the department of those facts within ten
 10 (10) days after the claim for benefits was sent by the department.

11 (d) In addition to the foregoing determination of insured status by
 12 the department, the deputy shall, throughout the benefit period,
 13 determine the claimant's eligibility with respect to each week for which
 14 the claimant claims waiting period credit or benefit rights, the validity
 15 of the claimant's claim, and the cause for which the claimant left the
 16 claimant's work, or may refer the claim to an administrative law judge
 17 who shall make the initial determination in accordance with the
 18 procedure in section 3 of this chapter.

19 (e) In cases where the claimant's benefit eligibility or
 20 disqualification is disputed, the department shall promptly notify the
 21 claimant and the employer or employers directly involved or connected
 22 with the issue raised as to the validity of the claim, the eligibility of the
 23 claimant for waiting period credit or benefits, or the imposition of a
 24 disqualification period or penalty, or the denial of the claim, and of the
 25 cause for which the claimant left the claimant's work, of the
 26 determination and the reasons for the determination.

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

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

41 (h) If a claimant or an employer requests a hearing under
 42 subsection (f) or (g), the request shall be filed with the department



1 within the prescribed periods provided in this section and shall be in
 2 the form and manner prescribed by the department. In the event a
 3 hearing is requested by an employer or the department after it has been
 4 administratively determined that benefits should be allowed to a
 5 claimant, entitled benefits shall continue to be paid to the claimant
 6 unless the administrative determination has been reversed by a due
 7 process hearing. Benefits with respect to any week not in dispute shall
 8 be paid promptly regardless of any appeal.

9 (i) A person may not participate on behalf of the department in any
 10 case in which the person is an interested party.

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

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

27 (l) If an allegation of the applicability of IC 22-4-15-1(c)(8) is
 28 made by the individual at the time of the claim for benefits, the
 29 department shall not notify the employer of the claimant's current
 30 address or physical location.

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

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

38 (o) **The date listed under date sent on a determination of
 39 eligibility issued under this section is prima facie evidence that the
 40 determination was sent to the party on that date.¹**

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