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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



3301 et seq. of the Internal Revenue Code. Wage credits may not exceed six thousand seven hundred dollars (\$6,700) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(e) For calendar quarters beginning on and after July 1, 2001, and before July 1, 2002, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3402 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed seven thousand three hundred dollars (\$7,300) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(f) For calendar quarters beginning on and after July 1, 2002, and before July 1, 2003, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3402 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed seven thousand nine hundred dollars (\$7,900) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(g) For calendar quarters beginning on and after July 1, 2003, and before July 1, 2004, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3402 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed eight thousand two hundred sixteen dollars (\$8,216) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(h) For calendar quarters beginning on and after July 1, 2004, and before July 1, 2005, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3402 and 3301 et seq. of the Internal Revenue Code. Wage credits may not exceed eight thousand seven hundred thirty-three dollars (\$8,733) and may not include payments that are excluded from the definition of wages under section 2 of this chapter.

(i) For calendar quarters beginning on and after July 1, 2005, and before July 1, 2012, "wage credits" means remuneration paid for employment by an employer to an individual and remuneration received as tips or gratuities in accordance with Sections 3402 and 3301 et seq. of the Internal Revenue Code. Wage credits may not 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



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.

~~(c)~~ **(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;

~~(5)~~ **(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;

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.

~~(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



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

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

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

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

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

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

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

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

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

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

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



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

(e) Service shall be deemed to be localized within a state if:

(1) the service is performed entirely within such state; or

(2) the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, such as is temporary or transitory in nature or consists of isolated transactions.

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

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

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

(i) The following:

(1) Service performed after December 31, 1971, by an individual in the employ of this state or any of its instrumentalities (or in the employ of this state and one (1) or more other states or their instrumentalities) for a hospital or eligible postsecondary educational institution located in Indiana.

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

(A) An elected official.

(B) A member of a legislative body or of the judiciary of a state or political subdivision.



- 1 (C) A member of the state national guard or air national
 2 guard.
 3 (D) An employee serving on a temporary basis in the case
 4 of fire, snow, storm, earthquake, flood, or similar
 5 emergency.
 6 (E) An individual in a position which, under the laws of the
 7 state, is designated as:
 8 (i) a major nontenured policymaking or advisory
 9 position; or
 10 (ii) a policymaking or advisory position the
 11 performance of the duties of which ordinarily does not
 12 require more than eight (8) hours per week.
 13 (3) Service performed after March 31, 1981, by an individual
 14 whose service is part of an unemployment work relief or work
 15 training program assisted or financed in whole by any federal
 16 agency or an agency of this state or a political subdivision of this
 17 state, by an individual receiving such work relief or work
 18 training is excluded.
 19 (j) Service performed after December 31, 1971, by an individual
 20 in the employ of a religious, charitable, educational, or other
 21 organization, but only if the following conditions are met:
 22 (1) The service is excluded from "employment" as defined in the
 23 Federal Unemployment Tax Act solely by reason of Section
 24 3306(c)(8) of that act (26 U.S.C. 3306(c)(8)).
 25 (2) The organization had four (4) or more individuals in
 26 employment ~~within the state of Indiana~~, for some portion of a
 27 day in each of twenty (20) different weeks, whether or not such
 28 weeks were consecutive, within either the current or preceding
 29 calendar year, regardless of whether they were employed at the
 30 same moment of time.
 31 (3) For the purposes of subdivisions (1) and (2), the term
 32 "employment" does not apply to service performed as follows:
 33 (A) In the employ of:
 34 (i) a church or convention or association of churches;
 35 or
 36 (ii) an organization which is operated primarily for
 37 religious purposes and which is operated, supervised,
 38 controlled, or principally supported by a church or
 39 convention or association of churches.
 40 (B) By a duly ordained, commissioned, or licensed minister
 41 of a church in the exercise of his ministry or by a member
 42 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.

(k) The service of an individual who is a citizen of the United States, performed outside the United States (except in Canada), after December 31, 1971, in the employ of an American employer (other than service which is deemed "employment" under the provisions of subsection (a), (b), or (e) or the parallel provisions of another state's law), if the following apply:

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

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

(A) an individual who is a resident of the United States;

(B) a partnership or limited liability partnership, if two-thirds (2/3) or more of the partners are residents of the United States;

(C) a trust, if all of the trustees are residents of the United States; or

(D) a corporation, an association, a joint venture, an estate, a limited liability company, a joint stock company, or an insurance company organized or established under the laws of the United States or of any state.

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

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

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

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

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

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

(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%).

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

23 (e) On the computation date every employer who had taxable
24 wages in the previous calendar year shall have the employer's
25 experience account charged with the amount determined under the
26 following formula:

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.

36 STEP THREE: Multiply the quotient determined under STEP
37 ONE by the difference determined under STEP TWO.

38 (f) One (1) percentage point of the rate imposed under subsection
39 (c), or the amount of the employer's payment that is attributable to the
40 increase in the contribution rate, whichever is less, shall be imposed as
41 a penalty that is due and shall be deposited upon collection into the
42 special employment and training services fund established under



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.

6 (g) Except as otherwise provided in IC 22-4-37-3, this subsection,
7 instead of subsection (b)(2), applies to an employer in the construction
8 industry. As used in the subsection, "construction industry" means
9 business establishments whose proper primary classification in the
10 current edition of the North American Industry Classification System
11 Manual - United States, published by the National Technical
12 Information Service of the United States Department of Commerce is
13 23 (construction). For each calendar year beginning after December 31,
14 2013, an employer's rate shall be equal to the lesser of four percent
15 (4%) or the average of the contribution rates paid by all employers in
16 the construction industry subject to this article during the twelve (12)
17 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;
- 21 (2) there has been some annual payroll in each of the three (3)
- 22 twelve (12) month periods immediately preceding the
- 23 computation date; and
- 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.

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

- 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



a period to be determined by the general assembly.

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

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

(c) The department may make direct deposit disbursements with respect to the payment of benefits to a financial institution account designated by an individual only if <:

~~(1)~~ the financial institution[:

(1) has a physical branch location in Indiana; <and>[or]

(2) <account disputes can be resolved at>[is designated as an approved depository by] the <physical location>[treasurer of state].

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

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

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

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

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



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

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

(1) the individual's total wage credits during the individual's base period; divided by

(2) fifty-two (52).

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

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

(c) This subsection applies 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 another time specified in another state statute.~~ An individual ~~is entitled to~~ **may be eligible for** thirteen (13) weeks of additional benefits ~~as originally determined~~, if:

(1) the individual has established:

(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
 9 (3) the individual remains unemployed as a direct result of the
 10 disaster.
 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:
 19 (1) Eighty percent (80%) of the total amount of regular benefits
 20 that were payable to the eligible individual under this article in
 21 the applicable benefit year.
 22 (2) Twenty (20) times the weekly benefit amount that was
 23 payable to the eligible individual under this article for a week of
 24 total unemployment in the applicable benefit year.
 25 (3) Forty-six (46) times the weekly benefit amount that was
 26 payable to the eligible individual under this article for a week of
 27 total unemployment in the applicable benefit year, reduced by
 28 the regular unemployment compensation benefits paid (or
 29 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



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:

(1) Eighty percent (80%) of the total amount of regular benefits 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 (c)~~; 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;

is entitled to receive benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed 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;~~

~~is entitled to receive benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed 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~~ **has** 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
individual's base period and shall include a finding as to whether the
wages meet the requirements for the individual to be an insured
worker, and, if so, the week ending date of the first week of the
individual's benefit period, the individual's weekly benefit amount, and
the maximum amount of benefits that may be paid to the individual for
weeks of unemployment in the individual's benefit period. For the
individual who is not insured, the notice shall include the reason for the
determination. The following apply in regard to the determination:

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

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

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



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

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

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

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

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

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

(h) If a claimant or an employer requests a hearing under 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.**
 41 **[**



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