



OHIO COUNCIL OF
RETAIL
MERCHANTS

May 17, 2023

The Honorable Bob Hackett, Chair
Senate Insurance Committee
Ohio Senate
Columbus, OH 43215

Chairman Hackett:

On behalf of the Ohio Council of Retail Merchants and our 7,500 plus members, we write to you in support of Senate Bill 116.

The Council, along with fellow statewide business organizations, has long advocated for reforms to Ohio's unemployment compensation system. As a result of the system's continued insolvency, both employers and workers have been adversely affected. During economic downturns, employers have been saddled with increases in their Federal Unemployment Taxes (FUTA) resulting from Ohio's reliance on borrowing from the Federal Government to fund benefits. Most recently, this occurred during the height of the COVID-19 pandemic. While we applauded the Administration and legislators for quickly paying off the unemployment compensation debt, the fundamental problems with the system have persisted.

Senate Bill 116 incorporates many of the reforms advocated by the business community over the last several years. Specifically, the bill would eliminate the dependency class caps for weekly unemployment benefits, for which only the highest earners qualify, caps the maximum weekly benefit amount an individual may receive at 50% of the individual's average weekly wage, and reduces the number of weeks of eligibility from 26 to 12-20 weeks, based on the current unemployment rate. In addition, the bill raises the taxable wage base for employers from \$9,000 to \$9,500, generating additional funding for the system. These reforms bring needed cost savings while also better aligning Ohio with peer states. Most importantly, Senate Bill 116 puts Ohio on a path towards solvency, giving both employers and workers greater certainty that the state's unemployment compensation system will be adequately funded.

For these reasons, we urge passage of Senate Bill 116 and applaud Senators Lang and Romanchuk for bringing the bill forward. Please feel free to contact us with any questions.

Sincerely,

Alex Boehnke
Director of Legislative & Corporate Affairs