

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Enrolled

Committee Substitute

for

Committee Substitute

for

Senate Bill 1053

BY SENATORS HELTON AND ROBERTS

[Passed March 14, 2026; to take effect July 1, 2026]

1 AN ACT to amend and reenact §21A-5-5 of the Code of West Virginia, 1931, as amended; and
2 to amend the code by adding a new section, designated §21A-9-10, relating to authorizing
3 an Unemployment Automation and Administration Fund to be used to modernize and
4 enhance WorkForce West Virginia automation and initiatives; directing temporary seven
5 percent reduction of employer contributions to the Unemployment Compensation Fund;
6 requiring payment of an annual unemployment automation and administration fee into the
7 Unemployment Automation and Administration Fund; terminating collections of fees and
8 reimposition of full employer contributions upon occurrence of certain events; limiting said
9 deposits when the Unemployment Automation and Administration Fund reaches \$18
10 million in a given fiscal year or when balance of the Unemployment Compensation Fund
11 falls below \$300 million; authorizing Commissioner of WorkForce West Virginia to disburse
12 funds from Unemployment Automation and Administration Fund to modernize
13 unemployment compensation system, upgrade job search system, cover essential
14 administrative costs, and engage in additional initiatives designed to bolster workforce
15 development initiatives; authorizing rulemaking; requiring compliance with federal law;
16 and establishing an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 5. EMPLOYER COVERAGE AND RESPONSIBILITY.

§21A-5-5. Rate of contribution.

1 (a) On or after January 1, 1941, an employer shall make payments to the unemployment
2 compensation fund equal to two and seven-tenths percent of wages paid by him or her with
3 respect to employment during each calendar year beginning with the calendar year 1941, subject,
4 however, to other provisions of this article; except that on and after January 1, 1972, each
5 employer subject to this chapter shall pay contributions at the rate of one and five-tenths percent
6 of wages paid by him or her with respect to employment during each calendar year until he or she
7 has been an employer for not less than 36 consecutive months ending on the computation date;

8 thereafter, his or her contribution rate shall be determined in accordance with the provisions of
9 section ten of this article.

10 (b) On and after July 1, 1981, each employer subject to this chapter shall pay contributions
11 at the rate of two and seven-tenths percent of wages paid by him or her with respect to
12 employment during each calendar year until he or she has been an employer for not less than
13 36 consecutive months ending on the computation date; thereafter, his or her contribution rate
14 shall be determined in accordance with the provisions of §21A-5-10 of this code.

15 (c) Notwithstanding any other provision of this chapter to the contrary, on or after July 1,
16 1981, any foreign corporation or business entity engaged in the construction trades shall pay
17 contributions at the rate of seven and five-tenths percent of wages paid by him or her with respect
18 to employment during each calendar year until he or she has been an employer for not less than
19 thirty-six consecutive months ending on the computation date; thereafter, his or her contribution
20 rate shall be determined in accordance with the provisions of §21A-5-10 of this code.

21 (d) Effective July 1, 2026, the otherwise applicable unemployment contribution rate for
22 each employer liable for contributions under this chapter shall be reduced by seven percent,
23 except that such contribution rate shall not be less than zero.

ARTICLE 9. UNEMPLOYMENT COMPENSATION ADMINISTRATION FUND.

§21A-9-10. Unemployment Automation and Administration Fund.

1 (a) *Definitions.* — For purposes of this section:

2 "Employer contribution" means the employer contribution to the Unemployment
3 Compensation Fund required by §21A-5-5 of this code.

4 "Fiscal year" means the 12-month period beginning on July 1 and ending on June 30 of
5 each year.

6 "Unemployment Compensation Fund" means the Unemployment Compensation Fund
7 established by §21A-8-1 of this code.

8 (b) *Creation of fund.* — There is hereby created a special trust fund which shall be
9 designated and known as the Unemployment Automation and Administration Fund, to be
10 administered by the Commissioner of WorkForce West Virginia. The Unemployment Automation
11 and Administration Fund shall be treated by the Auditor and Treasurer as a special revenue fund,
12 and not as part of the general revenues of the state. Any funds remaining in the Unemployment
13 Automation and Administration Fund at the end of the fiscal year shall not revert to the General
14 Revenue Fund.

15 (c) *Source of funding.* — The fund shall consist of the following:

16 (1) Effective July 1, 2026, each employer liable for contributions under this chapter, except
17 employers with a contribution rate equal to zero, shall pay an annual unemployment automation
18 and administration fee equal to seven percent of the employer's total taxable wages for the twelve-
19 month period ending the preceding June 30. The Commissioner of Workforce West Virginia may
20 reduce this percentage to ensure that the total amount of fee collected from all employers does
21 not exceed \$18 million annually. Each employer liable for the fee shall be notified of the amount
22 due by March 31 of each year, and such amount shall be considered delinquent 30 days
23 thereafter. Delinquent unemployment automation and administration fee amounts may be
24 collected in the manner provided under §21A-5-16 and §21A-5-17 of this code. All funds collected
25 under this subsection shall be deposited in the Unemployment Compensation Automation and
26 Administration Fund.

27 (2) The fund may also consist of all income earned on moneys held in the fund, or from
28 any investments related thereto.

29 (3) Upon the earlier of the date that the aggregate amount of collections paid into the
30 Unemployment Automation and Administration Fund reaches \$60 million or July 1, 2031, no further
31 unemployment automation and administration fees may be collected and the Commissioner shall
32 reimpose the applicable unemployment contribution rate for each employer liable for contributions
33 under this chapter as are otherwise required by this chapter.

34 (d) *Limitations on fund contributions.* —

35 (1) In the event that the Unemployment Automation and Administration Fund is allocated
36 \$18 million or more from employer contributions in a given fiscal year, no further employer
37 contribution deposits to the fund shall be made for the remainder of that fiscal year, and any funds
38 due to the Unemployment Automation and Administration Fund pursuant to the provisions of
39 this section and of §21A-5-5 of this code will instead be deposited in the Unemployment
40 Compensation Fund.

41 (2) If at any time the balance in the Unemployment Compensation Fund falls below \$300
42 million, then any funds due to the Unemployment Automation and Administration Fund pursuant
43 to the provisions of this section and of §21A-5-5 of this code will instead be deposited into the
44 Unemployment Compensation Fund until the Unemployment Compensation Fund has
45 maintained a minimum balance of \$300 million for two consecutive quarters, or until the
46 end of a given fiscal year, whichever comes later.

47 (e) *Disbursements from the fund.* – The Commissioner of WorkForce West Virginia is
48 authorized to disburse funds from the Unemployment Automation and Administration Fund, at his
49 or her discretion, for any of the following purposes:

50 (1) Modernizing the unemployment compensation system, including new technology and
51 infrastructure, which may lead to faster processing times for claims, address vulnerabilities to fraud,
52 integrate real-time data analytics to ensure more accurate benefit distribution, or otherwise adapt to
53 economic shifts or policy changes;

54 (2) Upgrading the job search system by allowing mobile optimization, more advanced job
55 recommendations, seamless integration with training programs, personalized career coaching
56 tools, virtual job fairs, or partnerships with other platforms to broaden reach and improve match
57 quality;

58 (3) Covering essential administrative costs, including, but not limited to, staff training,
59 technological maintenance, or operational audits; and

60 (4) Engaging in additional initiatives designed to bolster workforce development initiatives,
61 including expanded training programs, removal of barriers to entering the workforce, targeting
62 outreach campaigns, or partnering with employers.

63 (f) *Rulemaking.* — The Commissioner of WorkForce West Virginia is authorized to
64 promulgate legislative rules, emergency legislative rules, and procedural rules pursuant to the
65 requirements of §29A-3-1 *et seq.* of this code.

66 (g) *Federal compliance.* — Nothing in this section shall be interpreted to allow the
67 reduction of the maximum tax rate below the federally required levels and no transfer of funds set
68 forth in this section shall take place if such transfers would be deemed to be out of compliance
69 with relevant federal requirements.

70 (h) *Effective date.* —The provisions of this section shall be effective July 1, 2026.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

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Clerk of the Senate

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Clerk of the House of Delegates

Originated in the Senate.

To take effect July 1, 2026.

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President of the Senate

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Speaker of the House of Delegates

The within is this the.....
Day of, 2026.

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Governor