



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUDGET OFFICE  
One Capitol Hill  
Providence, R.I. 02908-5886

**Memorandum**

**To:** The Honorable Steven M. Costantino  
Chairman, House Finance Committee

The Honorable Daniel DaPonte  
Chairman, Senate Finance Committee

**From:** Rosemary Booth Gallogly *RB Gallogly*  
Executive Director/State Budget Officer

**Date:** January 29, 2009

**Subject:** Third Revision to Article 5 (Relating to Unemployment Compensation Benefits) of the FY 2009 Supplemental Appropriations Act (09-H-5019)

The Governor requests that Article 5 of the FY 2009 Supplemental Appropriations Act (09-H-5019) be replaced with the new version attached to this memorandum. This revised version of Article 5 replaces Section 28-44-59 entitled "Severance or dismissal pay allocation" and includes the previous amendments requested on January 12 and January 14. The revision to Section 28-44-59 is requested to clarify how the severance pay offset would be implemented for purposes of determining an individuals' benefit eligibility for unemployment compensation. It also deletes the section on post employment retirement as this has been addressed through legislation which has been enacted.

If you have any questions regarding the Unemployment Insurance article, feel free to call me at 222-6300, or Sandra Powell at 462-8870.

RBG: sm09-104  
cc: Michael O'Keefe  
Peter Marino  
Brian Stern  
Gregory Stack  
Mike Cronan  
Tim Costa



1 (e) In the event that an individual's unemployment is due to a natural disaster or state of  
2 emergency, there shall be no waiting period.

3 (f) Notwithstanding the provisions of this section, no waiting period shall be in effect  
4 from the date of enactment of this article through June 30, 2009.

5 **§ 28-44-59. Severance or dismissal pay allocation.** – For the purpose of determining an  
6 individual's benefit eligibility for any week of unemployment, any remuneration received by an  
7 employee from his or her employer in the nature of severance or dismissal pay, whether or not the  
8 employer is legally required to pay that remuneration, ~~shall be deemed to be wages paid on the~~  
9 ~~last day of employment for services performed prior to that date~~ shall be considered the same as  
10 wages received from the employer, and shall be prorated on a weekly basis beginning with the  
11 individual's first week of unemployment based on the number of weeks of severance or dismissal  
12 pay provided by the employer. If the employer does not specify the number of weeks of  
13 severance or dismissal pay provided to the employee or if the individual receives a lump sum  
14 payment, the severance or dismissal pay shall be prorated on a weekly basis using the individual's  
15 average weekly wage. For the purposes of this section, the individual's average weekly wage  
16 shall be computed by dividing the total wages earned by the individual with the employer in the  
17 highest quarter of his or her base period by thirteen (13). If this amount is not an exact multiple of  
18 one dollar (\$1.00), then it shall be raised to the next higher multiple of one dollar (\$1.00). If the  
19 employee subsequently returns to work either with his or her original employer or with a different  
20 employer and subsequently becomes unemployed, the allocation of his or her severance pay from  
21 the first employer shall remain in effect until the original period is exhausted.

22 SECTION 2. This article shall take effect upon passage.



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