WEST VIRGINIA CODE: §21a-9-10

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

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

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

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

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

(b) Creation of fund. — There is hereby created a special trust fund which shall be designated and known as the Unemployment Automation and Administration Fund, to be administered by the Commissioner of WorkForce West Virginia. The Unemployment Automation

and Administration Fund shall be treated by the Auditor and Treasurer as a special revenue fund, and not as part of the general revenues of the state. Any funds remaining in the Unemployment Automation and Administration Fund at the end of the fiscal year shall not revert to the General Revenue Fund.

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

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

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

(3) Upon the earlier of the date that the aggregate amount of collections paid into the Unemployment Automation and Administration Fund reaches $60 million or July 1, 2031, no further unemployment automation and administration fees may be collected and the

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Commissioner shall reimpose the applicable unemployment contribution rate for each employer liable for contributions under this chapter as are otherwise required by this chapter.

(d) Limitations on fund contributions. —

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

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

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

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

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

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

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

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

(g) Federal compliance. — Nothing in this section shall be interpreted to allow the reduction

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of the maximum tax rate below the federally required levels and no transfer of funds set forth in this section shall take place if such transfers would be deemed to be out of compliance with relevant federal requirements.

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

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