

(2) A retirement benefit in the form of a lump sum payment [that an employing unit pays as a result of a layoff or shutdown shall] IS not [be] deductible from benefits for the period of eligibility IF:

(I) THE EMPLOYING UNIT PAYS THE LUMP SUM PAYMENT AS A RESULT OF A LAYOFF OR SHUTDOWN; OR

(II) WITHIN ~~40~~ 30 DAYS OF RECEIVING THE LUMP SUM PAYMENT, THE CLAIMANT:

1. PLACES THE LUMP SUM PAYMENT IN A QUALIFIED RETIREMENT PLAN; AND

2. PROVIDES PROOF TO THE SECRETARY THAT THE LUMP SUM PAYMENT HAS BEEN PLACED IN A QUALIFIED RETIREMENT PLAN.

(3) In the case of payment in the form of a pension, annuity, retirement, or retired payment paid to an individual under the Social Security Act or the Railroad Retirement Act of 1974, the individual's contribution shall be taken into consideration and the weekly benefit amount shall not be reduced.

(c) (1) To determine the effect of a retirement payment on eligibility for benefits under subsection (b) of this section:

(i) if a base period employer paid the full cost of the plan that provides the retirement, the full retirement payment shall be considered; and

(ii) if a base period employer paid only part of the cost of the plan that provides the retirement payment, 50% of the retirement payment shall be considered.

(2) To compute the weekly amount of a periodic retirement payment, it shall be prorated on a weekly basis for the period between periodic retirement payments.

(3) To compute the weekly amount of a lump sum retirement payment, it shall be allocated to the number of weeks that follow the date of separation from employment in accordance with the number of weeks of pay that an individual received at the individual's last wage rate.

(D) ~~PRIOR TO DISTRIBUTING A RETIREMENT BENEFIT IN THE FORM OF A LUMP SUM TO ANY FORMER EMPLOYEE, AN EMPLOYER SHALL PROVIDE WRITTEN NOTICE TO THE FORMER EMPLOYEE OF THE EFFECT OF THE LUMP SUM DISTRIBUTION ON THE WEEKLY BENEFIT AMOUNT UNDER THIS SECTION IF THE EMPLOYEE SUBSEQUENTLY FILES A CLAIM FOR UNEMPLOYMENT INSURANCE BENEFITS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1993.

Approved May 27, 1993.
