



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 48: Increase UI Max Benefit/2025 UI Tax Credit.

2025-2026 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	February 11, 2025
Introduced by:	Reps. Howard, Brody, Warren, Setzer	Prepared by:	Greg Roney Staff Attorney
Analysis of:	PCS to First Edition H48-CSTMxfr-1		

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 48 would:*

- *Ratify Sections 1-4 of Executive Order No. 322 which increased unemployment insurance benefits during the Helene disaster and terminates the Executive Order on March 1, 2025.*
- *Increase the maximum unemployment insurance weekly benefit amount from \$350 to \$400, for claims filed on or after March 2, 2025.*
- *Provide employers a tax credit equal to the unemployment insurance contribution made for the fourth quarter of 2024. The tax credit would reduce an employer's unemployment insurance contributions due in 2025.*

CURRENT LAW: Under G.S. 96-14.2(a), employees who lose their jobs through no fault of their own receive unemployment insurance (UI) benefits equal to 50% of their weekly earnings subject to a \$350 cap. In response to Hurricane Helene, the Governor issued Executive Order No. 322, on October 16, 2024, and concurred to by the Council of State. The Executive Order purported to grant all unemployment insurance recipients a \$250 bonus and to increase the maximum weekly benefit amount to \$600 (inclusive of the \$250 bonus amount). Section 3.1 of S.L. 2024-51 ends the Helene disaster on March 1, 2025.

Under federal law, Disaster Unemployment Assistance (DUA) was provided in the counties affected by Hurricane Helene. DUA generally applies after UI claimants exhaust State UI benefits. For the Helene disaster, UI claimants received 12 weeks of State UI and an additional 14 weeks of federal DUA, totaling 26 weeks. The US Department of Labor (USDOL) calculated DUA based on the increased UI levels under the Executive Order.

BILL ANALYSIS: Section 1 of the PCS for House Bill 48 would acknowledge that the Governor lacked the authority to issue Executive Order No. 322. However, Section 1 validates the Executive Order by ratifying the Order. The Order is terminated effective March 1, 2025.

Section 2 would increase the maximum UI weekly benefit amount from \$350 to \$400, for claims filed on or after March 2, 2025.

Section 3 would provide employers a tax credit equal to the UI contribution made for the fourth quarter of 2024. The tax credit would reduce an employer's UI contributions due in 2025 by the amount paid for the fourth quarter of 2024.

EFFECTIVE DATE: The PCS for House Bill 48 is effective when law. The increase in the maximum weekly benefit amount is effective for claims filed on or after March 2, 2025.

Kara McCraw
Director



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Legislative Analysis
Division
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