

TEMPORARY DISABILITY INSURANCE

ROBERT R. KERNS*

At the regular session of the 102nd General Assembly of Ohio, Senate Bill 212 was introduced which would have supplemented the Unemployment Compensation Act by providing for temporary disability provisions. This Bill died in committee.

Temporary disability insurance is an extension of compulsory compensation protection to "meet the hazards of earnings loss due to inability to work caused by nonoccupational sickness or accident."¹ The test of eligibility under Ohio's Workmen's Compensation Act is "injured . . . in the course of employment. . ."² One of the tests of eligibility under Ohio's Unemployment Compensation Act is ". . . able to work and available for suitable work. . ."³ The Ohio law makes no provision for the payment of compensation to a wage earner who becomes unable to work because of an injury or sickness suffered outside the "course of employment."

The United States is the only major power in the western world, and with China and India, the only major nation in the world without some form of nation-wide compulsory health insurance.

The following table shows dates of original enactment of social legislation in listed countries:⁴

Type of Legislation	Germany	England	France	U.S.A.
Workmen's Comp. -----	1884	1897	1898	1911
Unemployment Comp. -----	1927	1911	----	1935
Old Age -----	1889	1925	1928	1935
Medical Care -----	1883	1911	1928	----
Disability -----	1883	1911	1928	1942*
Maternity Benefits -----	1883	1911	1913	----

*State level only.

During the period 1910-1920, workmen's compensation laws were introduced in the United States, covering work-connected injuries and occupational diseases. This stimulated an early movement for a social insurance system to cover costs of non job-connected injuries and illness. Eleven states, including Ohio, appointed commissions to study the problem, and six of these commissions reported the need for a compulsory, cash sickness program. There were bills introduced in twenty states, but none passed.

During the period 1920-1934, there was no activity in this field, and in 1934, President Roosevelt's Committee on Economic Security

*Of the Bellefontaine, Ohio Bar.

¹ N. J. STAT. ANN. §43:21-26.

² OHIO REV. CODE §4123.54 (1953).

³ OHIO REV. CODE §4141.29 (1953).

⁴ SKOLNIK, TEMPORARY DISABILITY INSURANCE LAWS IN THE UNITED STATES, (Social Security Bulletin, Oct. 1956).

reported that in connection with a national security (social security) program, a disability cash payment system could be connected with unemployment compensation. There have been several federal bills introduced in this area to sponsor subsidies to states to study and enact approved plans, one bill subjecting any such state action to Social Security approval (a 1941 amendment to the Social Security law). These bills have not been passed. The Wagner-Murray-Dingel Bill of 1943 was introduced as an amendment to the Social Security Act. This bill provided not only temporary disability benefits, but also maternity benefits, medical care, and permanent invalid benefits. The only legislation passed in this area was Public Law 559, 79th Congress, 60 Stat. 806, which is now 45 U.S.C. 352, et seq., which amended the railroad workers unemployment insurance program to include cash payments for non job-incurred sickness and injury. There is no opportunity provided for private insurance in this program.

In 1939, the Interdepartmental Committee to Co-ordinate Health and Welfare Activities reported again the need for temporary disability insurance and reaffirmed that it be integrated with unemployment insurance.

Integration of temporary disability insurance with unemployment insurance gained favor with the states for several reasons:⁵

A. Wage earners covered by unemployment compensation found themselves protected against part of their loss when they were able to work, but found themselves unprotected against the same loss when they were unable to work. It seemed (and still does) illogical and unfair to be denied benefits when sick, or to have benefits being paid stop when the unemployed worker became ill. (Six states have amended their unemployment compensation eligibility requirements to permit an employee to receive unemployment compensation even though he is disabled and not available for suitable work: Idaho, Maryland, Montana, Nevada, Tennessee, and Vermont.)

B. By far the most compelling reason was financial considerations. Several states, New Jersey and California included, finance unemployment compensation by an employee tax as well as a tax on employers. When the economy picked up in the boom of the 1940's, employee contributions were found unnecessary for payment of benefits due to sharp declines in unemployment, and were consequently building up enormous reserves in trust accounts. These funds could easily be diverted to cash sickness benefits without additional contributions from state, employees, or employers. Obviously, in a state where employees do not contribute to unemployment compensation funds, this "compelling" reason fails.

C. Due to closely connected objectives and potentially identical coverage, considerable savings could be realized in administrative costs if the two programs were integrated.

⁵ *Ibid.*

In 1942, twelve bills were introduced in the legislatures of seven different states resulting only in the passage of P.L. 1942, ch. 1200, by the state of Rhode Island, which created the Cash Sickness Compensation System in that state, a monopolistic state fund.

In 1946, California enacted what is today 1948 Supp. Act 8780, Art. 10, §150 et seq., providing for disability benefits.

In 1948, New Jersey enacted what is today 43 N.J. Stat. §§21-25, providing for disability benefits.

In 1949, New York enacted what is today Art. 9 of the Workmen's Compensation Law, providing for disability benefits.

The state of Washington enacted similar legislation in 1949, but this was defeated at a popular referendum on November 7, 1950.

Prior to the 102nd General Assembly, one other bill was introduced in Ohio, Senate Bill 87, 99th General Assembly. It also died in committee. This bill provided for a plan similar to that followed in Rhode Island.

This article will deal with three of the four above mentioned plans, namely, those of New York, New Jersey and California.

The table on pages 58 and 59 is a comparative outline of certain key portions of the plans.⁶

The following are some sample statistics from California, New Jersey, and New York, reported in the calendar year 1954.

California⁷

Estimated average number of workers insured

<i>Year</i>	<i>Total</i>	<i>Voluntary Plans</i>	<i>State Plan</i>
1948 (First year) -----	2,431,200	708,000	1,723,200
1954 (Prelim.) -----	2,994,000	1,372,000	1,622,000

This chart shows an increase of about 23% in the total coverage since the passage of the act. What is more significant is the decrease in the coverage by the plans from 1953 to 1954. There is reason to believe that this decrease is due to an increase in unemployment, which would automatically increase the State Fund's coverage (See Schedule A, benefits for disabled unemployed). This is substantiated by an increase in the State Fund Extended Liability coverage, the unemployment disabled fund, of 11%, or 138,000 in 1954 which is about two-thirds of the decrease in voluntary coverage. ("Extended Fund" is included in "State Plan" in the above table.)

*Estimated number of compensable claims filed per thousand workers
by plan and sex*

<i>Year</i>	<i>All Workers</i>	<i>Male</i>	<i>Female</i>	<i>Voluntary Plans</i>	<i>State Plan</i>
1950 -----	82.5	69.7	112.2	98.1	69.3
1953 -----	99.9	83.1	137.0	110.3	88.6

⁶ GUIDE TO STATE DISABILITY BENEFITS LAWS, (Prentice-Hall, 1950).

⁷ CALIFORNIA DEPARTMENT OF EMPLOYMENT REPORTS 1120 No. 2; 1003A-No. 8; 1001-No. 471.

Obviously, filing rates have increased yearly. This uptrend is attributable to two factors. First, spreading knowledge of the program, and second, periodic increases in benefits have made the filing of a claim worthwhile. In 1954, first claims, i.e. initial claims for a period of disability, in the amount of 207,705 were received by the State Fund. In the same period 175,107 first claims were received by voluntary plans. The total number of claims paid under the State Plan was 632,639, making a total basic benefits payment of \$39,440,000.00. No figures on private payments were available.

*New Jersey*⁸

Estimated average number of workers insured

<i>Year</i>	<i>Total</i>	<i>Voluntary Plans</i>	<i>State Plan</i>
1954 -----	1,427,000	927,000	500,000

In the year 1954, over 47,000 first claims were received under the State Plan, and total payments made were \$9,070,834.00. During the same calendar year private insurance carriers (voluntary plans) incurred benefit losses of \$20,281,886.31, and paid total benefits in the amount of \$28,257,724.49. With fifty-nine insurance companies reporting, an excess loss over premiums received (after dividends and expenses) of \$188,406.74 was reported.

The average weekly benefit paid by the State Fund was \$27.29, and the average check amount was \$48.77. No figures on private payments were available.

*New York*⁹

Estimated average number of workers insured

<i>Year</i>	<i>Total</i>	<i>Voluntary Plans</i>	<i>State Plan</i>
1954 -----	4,691,812	4,000,000 (est.)	690,000 (est.)

Payments made by the private insurance carriers in the year 1953 totaled \$86,822,202; and the average weekly benefit check paid by private carriers in the same year was \$31.26. As shown by Schedule A, the special fund which pays all disabled unemployed benefits is required by the statute to assess all carriers when it falls below a certain amount. Since the effective date of the act, there has been one assessment (1950-1954) of \$1,027.56, made in 1951, and distributed among all the carriers.

Attention was given to the advisability of disabilities benefits legislation by the Ninety-ninth General Assembly of Ohio which appointed a Disability Unemployment Insurance Commission to study the need for such legislation and report to the Assembly.¹⁰ Since this report is the only source of information available concerning the need for some type

⁸ EIGHTEENTH ANNUAL EMPLOYMENT SECURITY REPORT OF THE DIVISION OF EMPLOYMENT SECURITY, State of New Jersey.

⁹ NEW YORK WORKMEN'S COMPENSATION BOARD ANNUAL REPORT (1954).

¹⁰ REPORT OF THE DISABILITY UNEMPLOYMENT INSURANCE COMMISSION TO THE 99TH GENERAL ASSEMBLY OF OHIO.

SCHEDULE A

ANALYSIS OF STATE DISABILITIES BENEFITS LAWS

PROVISIONS Type of Law	CALIFORNIA	NEW JERSEY	NEW YORK
How benefits are provided	State fund and private funds compete; state fund automatic unless private plan elected by employer and employee individually. Tax supported state fund provides benefits like unemployment insurance, but private plans may be substituted.	State fund and private fund compete; state fund automatic unless private plan elected by employer and a majority of employees.	State insurance fund and private plans compete; employer must choose.
Type or private plans	Insured and self-insured, with benefits exceeding those under state plan.	Insured and self-insured, with benefits equalling those under state plan, and continuation of certain existing plans.	Insured and self-insured, with benefits "at least as favorable" as those under State plan, and continuation of certain existing plans.
Administration	Under unemployment insurance law.	Under unemployment insurance law.	Under workmen's compensation law.
Employees covered	Employer of 1 or more with payroll of \$100 or more in calendar quarter.	Employer with 4 or more in 20 weeks in calendar quarter.	Employer of 4 or more in 30 days of calendar year.
Exemptions	Same as unemployment insurance, plus religious exemptions.	Same as California.	Substantially the same as unemployment insurance, plus religious exemptions.

Employer contributions (each employee)	None.	$\frac{1}{4}$ of 1% of first \$3000 of annual wages if in state plan.	Approx. 6¢ weekly to set up state fund; thereafter balance of costs over employee contributions necessary to provide benefits.
Employee contributions	1% of annual wages up to \$3000.	$\frac{3}{4}$ of 1% of annual wages up to \$3000.	Approx. 6¢ weekly to set up state fund (6 mos. prior to effective date); thereafter $\frac{1}{2}$ of 1% with weekly maximum of 30¢.
Merit rating	None.	Yes, for employers.	None, but good rating will result in lower rates.
Qualifying wages	\$300 in base period.	\$270 in base period.	None, but must be employed for at least 4 consecutive weeks.
Waiting period	None.	7 days.	7 days.
Weekly benefit amounts	Min. \$10. Max. \$25.	Min. \$10. Max. \$30.	Min. \$10. Max. \$33.
Hospitalization benefits	\$8 a day for 12 days.	None.	None.
Maternity benefits	None.	None.	None.
Duration of benefits	26 weeks.	26 weeks.	13 weeks.
Benefits for disabled un- employed; financed by	State plan, which may assess private plans for share of excess of cost over interest on 132 million dollar initial fund, max. is .03% taxable wages.	State plan, which may assess state-plan employers for pro rata share of excess of cost over interest on \$50 million initial fund. Assessment limited to .02% of taxable wages.	Revolving fund from limited tax on employers and employees; assessments on insurance companies, self-insurers, state fund, and private plans without limit.
Administrative financing	5% of contributions.	5% of contributions.	State fund as carrier limited to 25% of contributions.

of disability program in Ohio, the following information is quoted here:

In response to a survey intended to cover the entire population (2,013,740 "employees" as of December, 1949) with respect to the problem of employee disability benefits, replies (to the Commission's questionnaires) were received from companies employing 1,728,172 employees—85.8% of the total. Of these companies employing 1,728,172 employees, companies employing 1,246,651 indicated that they had some form of employee disability benefits.

In order to have more specific information as to type of disability benefits, the Commission sent a questionnaire to those companies employing the 1,246,651. Not all replied. Replies came from employers of 864,146 persons. Data from this survey indicated the fact that only 624,921 of those employees were actually covered with disability benefits. This means that only 72.3% of employees, who, based on previous information, were supposed to be covered, were actually so covered.

Applying this ratio of .723 to the total 1,246,651 who were reported as being covered, indicated that only 901,536 were actually so covered. This figure of 901,536 employees is based on the replies from companies employing 1,728,172 persons, that is, 85.8% of total employment of the population being investigated. Using 901,536 as being 85.8%, interpolation shows that of the total employment of 2,013,740, 1,050,509 were covered by some form of disability benefits.

Replies to the Commission's detailed questionnaire indicated that 65.1% of the employees covered by some sort of disability benefits were covered by group disability insurance. This per cent applied to the 1,050,509 employees covered by some type of disability benefit, indicated that an estimated 683,761 employees were covered by group disability insurance. To summarize, of the total population of 2,013,740 employees in the Commission's universe, 1,050,509 or 65.1% were covered by group disability insurance.

As is readily seen, however, the Commission's survey was primarily designed to discover "how many" and secondarily with "how much." It is probable that an analysis of individual coverage would have shown wide variations in the amount of individual protection afforded.¹¹ A further comment to be made is that it would appear from the results that a great percentage of the covered employees probably were benefiting from a union contract. The great predominance of group insurance which the study disclosed also should be weighed. One of the essential elements to a disabilities program is continuity; in a group insurance plan, coverage would automatically discontinue when the employer-employee relationship is broken, and the new employer does not offer some type of group insurance. Finally, group insurance offers no cover-

¹¹ *Ibid*, page 46.

age to the disabled unemployed.

The Commission concluded that there was a need for compulsory coverage which would guarantee Ohio's workers at least a minimum of coverage.¹² To date the recommendations of the commission have not been enacted into law.¹³

Appendix A contains the author's draft of a proposed "Disabilities Benefits Act." It is patterned after the New York law, with some changes which were felt to be necessary. The amounts of benefits payable as used in the proposed act were arbitrarily set by the writer and are subject, of course, to changes which may be necessary. The proposed act is incomplete in that no attempt was made to establish complete administrative procedure, reporting procedure, procedure for appeal, or the necessary corrective amendments to existing law to incorporate the act into the Ohio Revised Code.

Appendix B contains Senate Bill 212 as introduced in the 102nd General Assembly of Ohio. This bill is submitted for general information purposes and comparison with the author's bill.

APPENDIX A

PROPOSED TEMPORARY DISABILITIES BENEFITS ACT

An act to provide for temporary disabilities benefits under the Workmen's Compensation Law.

Be it enacted by the General Assembly of the State of Ohio:

Section 1. Definitions.

(A) "Commission" means the industrial commission created under chapter 4121 of the Revised Code.

(B) "Chairman" means the chairman of the Industrial Commission of Ohio.

(C) "Employer," except where otherwise expressly stated, shall denote the same meaning as provided by section 4141.01 of the Revised Code.

(D) "Employment," except where otherwise expressly stated, means the same, includes the same, and excludes the same as is stated in section 4141.01 of the Revised Code.

(E) "Employee" means a person engaged in the service of an employer in any employment defined in this section.

(F) "State fund" means the state insurance fund created under this chapter.

(G) "Injury" and "sickness" means accidental injury, disease, infection or illness.

(H) "Disability" during employment means the inability of an employee, as a result of injury or sickness not arising out of and not in

¹² *Ibid.*

¹³ Is this because a bill to permit private insurance carriers to participate has not been introduced?

the course of an employment, to perform the regular duties of his employment or the duties of any other employment which his employer may offer him at his regular wages and which his injury or sickness does not prevent him from performing. "Disability" during unemployment means the inability of an employee, as a result of injury or sickness not arising out of and not in the course of an employment, to perform the duties of any employment for which he is reasonably qualified by training and experience.

(I) "Benefits" means the money payments payable during disability to an employee who is entitled to receive such benefits as provided by this act.

(J) "Carrier" shall include the state fund, stock corporations, mutual corporations, and reciprocal insurers which insure the payment of benefits pursuant to this act, and employers and associations of employers or of employees and trustees authorized or permitted to pay benefits under provisions of this act.

(K) "Wages" means the money rate at which employment with a covered employer is recompensed under the contract of hiring with the covered employer and shall include the reasonable value of board, rent, housing, lodging, or similar advantage received under the contract of hiring.

(L) "Average weekly wages," for the purposes of computing the amount of disability benefits of an employee during any period of disability, shall be the amount determined by dividing the total wages of such employee in the employment of his last covered employer for the eight weeks or portion thereof that the employee was in such employment immediately preceding and including his last day worked prior to commencement of such disability, by the number of weeks or portion thereof of such employment. The chairman may by regulation prescribe reasonable procedures to determine average weekly wage, including procedures in lieu of the foregoing for determination of the average weekly wage of a class or classes of employees, and may authorize reasonable deviations to facilitate administration in the determination of average weekly wage of a class or classes of the employees of a covered employer.

In the event the employee was not in the employment of his last covered employer during all of such eight weeks and if the above determination results in an average weekly wage which does not fairly represent the normal earnings of such employee in all employments with covered employers during such eight weeks, there may be a redetermination of average weekly wage to reflect wages received from all covered employers during such eight week period. The chairman may by regulation prescribe reasonable procedures for such redetermination.

(M) "A day of disability" means any day on which the employee was prevented from performing service because of disability and for which he has not received compensation which would disqualify him from

eligibility for disability benefits.

Section 2. Covered Employer.

(A) An employer who has in employment, after July 1, 19__ , three or more employees on each of at least thirty days in any calendar year, shall be a covered employer subject to the provisions of this chapter from and after Jan. 1, 19__ , or the expiration of four weeks following the thirtieth day of such employment, whichever is the later. He shall continue to be a covered employer until the end of any calendar year in which he shall not have in employment three or more employees on each of thirty days, and shall have duly filed with the chairman satisfactory evidence thereof.

(B) An employer who by operation of law becomes successor to a covered employer, or who acquires by purchase or otherwise the trade or business of a covered employer, shall immediately become a covered employer.

(C) Whenever an employee of a covered employer, with the consent of the employer, engages or permits another to do any work in employment for which the employee is employed, the employer shall be deemed for the purpose of this act to be the employer of such other person, regardless of whether the employee or the employer pays for his services.

Section 3. Employees Eligible for Benefits.

Employees in employment of a covered employer for four or more consecutive weeks and employees in employment during the service period usual to and available during such four or more consecutive weeks in any trade or business in which they are regularly employed and in which hiring from day to day of such employees is the usual employment practice shall be eligible for disability benefits as provided in section four. Every such employee shall continue to be eligible during such employment and for a period of four weeks after such employment terminates but in no event beyond the fifth day of such period on which he performs any work for compensation or profit, except that if such work is in employment with the same or another covered employer the employee shall be eligible for benefits immediately with respect to such employment. An employee who during a period in which he is eligible to receive benefits under section seven returns to employment with a covered employer and an employee who is currently receiving unemployment compensation benefits, or benefits under section seven, and who returns to employment with a covered employer shall be eligible for benefits immediately with respect to such employment. An employee regularly in the employment of a single employer on a work schedule less than the employer's normal work week shall be eligible for benefits on the twenty-fifth day of such regular employment. An employee who becomes disabled while eligible for benefits in the employment of a covered employer shall not be deemed, for the purposes of this act, to have such

employment terminated during any period he is eligible to receive benefits under section four with respect to such employment.

Section 4. Disability During Employment.

(A) Disability benefits shall be payable to an eligible employee for disabilities commencing after June 30, 19___, beginning with the eighth consecutive day of such disability and each day thereafter that such disability continues, subject to limitations as to minimum and maximum amounts and duration and other conditions and limitations in this act. Successive periods of disability caused by the same or related injury shall be deemed a single period of disability only if separated by less than three months.

(B) The weekly benefit which the disabled employee is entitled to receive shall be one-half of the employee's average weekly wage, but in no case shall such benefits exceed thirty-three dollars nor be less than ten dollars, except that if the employee's average weekly wage is less than ten dollars, his benefit shall be such average weekly wage. For any period of disability less than a full week, the benefits payable shall be calculated by dividing the weekly benefit by the number of the employee's normal work days in such period of disability. The weekly benefit for a disabled employee who is concurrently eligible for benefits in the employment of more than one covered employer shall, within the maximum and minimum herein provided, be one-half of the total of the employee's average weekly wages received from all such covered employers, and shall be allocated in the proportion of their respective average weekly wage payments.

Section 5. Disabilities and Disability Period for Which Benefits Are Not Payable.

No employee shall be entitled to benefits under this act:

(A) For more than twenty-six weeks during a period of fifty-two consecutive calendar weeks or during any one period of disability;

(B) For the first seven consecutive days of each period;

(C) For any period of disability during which the employee is not under the care of a legally licensed physician or dentist or chiropodist;

(D) For any period of disability due to pregnancy or resulting childbirth, miscarriage or abortion;

(E) For any period of disability occasioned by the wilful intention of the employee to bring about injury to or the sickness of himself or another, or resulting from any injury or sickness sustained in the perpetration of a crime;

(F) For any day of disability during which the employee performed service for compensation or profit;

(G) For any day of disability for which the employee is entitled to receive from his employer, or from a fund to which the employer has contributed, compensation or maintenance in an amount equal to or greater than that to which he would be entitled under this act; but any

volunteer contribution or aid which an employer may make to an employee shall not be considered compensation or maintenance for this purpose;

(H) For any period during which a covered individual would be disqualified for unemployment compensation benefits under Chapter 4141 of the Revised Code, unless the disability commenced prior to such qualification;

(I) For any disability due to any act of war, declared or undeclared, if such act shall occur after June 30, 19__;

(J) For any disability commencing before the employee becomes eligible hereunder or commencing prior to July 1, 19__, but this shall not preclude benefits for recurrence after July 1, 19__, of a disability commencing prior thereto;

(K) For any period during which a covered employee is confined, pursuant to commitment or court order, in an institution or other place, as a dipsomaniac, drug addict or sexual psychopath.

Section 6. Non-duplication of Benefits.

(A) No benefits shall be payable under section four or section seven of this act for any period with respect to which benefits are paid or payable under any unemployment compensation or similar law, or under any disability or cash sickness benefit or similar law, of this state or of any other state or of the federal government. Nor shall any benefits be payable under this act for any period with respect to which benefits, other than benefits for permanent partial or permanent total disability previously incurred, are paid or payable on account of the disability of the covered individual under any workmen's compensation law, occupational disease law, or similar legislation of this state or of any other state or the federal government, or under the Federal Employer's Liability Act, or under the maritime doctrine of maintenance, wages and cure.

(B) If any employee who is eligible for benefits under this act is disabled and has claimed or subsequently claims workmen's compensation under Chapter 4123 of the Ohio Revised Code, and the claim for workmen's compensation benefits is controverted on the ground that the employee's disability was not caused by an accident that arose out of and in the course of his employment or by an occupational disease, the employee shall be entitled in the first instance to receive benefits under this act for his disability. If benefits have been paid under this act in respect to a disability alleged to have arisen out of and in the course of the employment or by reason of an occupational disease, the employer or carrier or the chairman making such payments may, at any time before award of workmen's compensation benefits is made, file with the commission a claim for reimbursement out of the proceeds of such award to the employee for the period for which disability benefits were paid to the employee under this act and shall have a lien against the award

for reimbursement, notwithstanding any section of the Ohio Revised Code.
Section 7. Disability While Unemployed.

(A) An employee whose employment with a covered employer is terminated and who during a period of unemployment within twenty-six weeks immediately following such termination of employment, shall become ineligible for benefits currently being claimed under the unemployment compensation law solely because of disability commencing after June 30, 19__ , and who on the day such disability commences is not employed or working for compensation or profit and is not then otherwise eligible for benefits under this act shall be entitled to receive disability benefits as herein provided for each week of such disability during such twenty-six week period, for which week he would have received unemployment compensation if he were not so disabled. The weekly benefit of such disabled employee shall be computed in the same manner as provided in division (B) of section four of this act, and the benefits he is entitled to receive shall be subject to the limitations prescribed in this act.

(B) Any employee whose employment with a covered employer is terminated and who was in employment with a covered employer or employers and was paid wages of at least thirteen dollars in such employment in each of twenty calendar weeks during the thirty calendar weeks immediately preceding the date he has last worked for such covered employer, and who during a period of unemployment within twenty-six weeks immediately following such termination of employment is not eligible for benefits under unemployment compensation because of lack of qualifying wages but who during employment has evidenced his continued attachment to the labor market, shall be eligible for benefits under the provisions of this division during such twenty-six week period for disability commencing after June 30, 19__ . If such employee becomes disabled and continues to be disabled for at least eight consecutive days during such twenty-six week period and on the day such disability commences he is not employed or working for compensation or profit and is not then otherwise eligible for benefits under this act, he shall be entitled to receive disability benefits, as herein provided, beginning with the eighth consecutive day of such disability, for each week of such disability thereafter during such twenty-six week period. The weekly benefit of such disabled employee shall be computed under section four, division (B) of this act, and is subject to the limitations prescribed in this chapter.

(C) The benefits payable under this section shall be subject to the provisions and limitations generally applicable to disability benefits payable under this act, and shall be paid by the chairman out of any assets in the fund hereafter created. The chairman may require proofs of disability, wage records and other information necessary for determination of eligibility of the wage records and other information necessary for

determination of eligibility of the employee. The chairman may make regulations for the administration of such claims, that are reasonably necessary to determine eligibility and benefits. Any rejected employee shall have the right to request a review of his claim by the commission.

Section 8. Payment of Disability Benefits.

All benefits shall be paid periodically and promptly. The first payment of benefits shall be due on the fourteenth day of disability and payment shall be made directly to the employee within four business days thereafter or within four business days after the filing of required proof of claim, whichever is the later. Thereafter, benefits shall be due and payable bi-weekly in a like manner unless the chairman otherwise authorizes to facilitate prompt payment of benefits.

Section 9. Employees' Contributions.

(A) Every employee in the employment of a covered employer shall on and after Jan. 1, 19--, contribute to the cost of providing disability benefits under this act, one-half of one percentum of the employee's wages paid to him on and after July 1, 19--, but not in excess of thirty cents a week.

(B) Notwithstanding any provision of law, the employer is authorized to collect from his employees, their contributions under this act by payroll deduction. If the employer shall not make deduction for any payroll period, he may thereafter, but not later than one month after payment of wages, make payroll deductions.

(C) In collecting employee contributions through payroll deduction, the employer shall act as the agent of his employees and shall use the contributions only to provide disability benefits as required by this act. After June 30, 19--, if the employer is not providing for the payment of disability benefits, he shall keep the contributions of his employees as trust funds. The payment of such contributions by the employer to a carrier providing for the payment of such benefits shall discharge the employer from responsibility as to such contributions.

Section 10. Employer Contributions.

(A) Every covered employer shall, on and after Jan. 1, 19--, contribute the cost of providing disability benefits in excess of the contributions collected from his employees, to the extent and in the manner provided in this act.

(B) No profit shall be derived by any employer or association of employers or of employees from providing payment of disability benefits under this act.

Section 11. Provision for Payment of Benefits.

A covered employer shall, with his own contributions and those of his employees, provide disability benefits to his employees in one or more of the following ways:

(A) By insuring and keeping insured the payment of such benefits in the state fund;

(B) By insuring and keeping insured the payment of such benefits with any stock or mutual corporation or reciprocal insurer authorized to do the business of accident and health insurance in this state;

(C) By furnishing satisfactory proof to the chairman of his financial ability to pay such benefits, in which case the chairman shall require from such employer such security or bond as he may deem proper, adequate, and sufficient to compel or secure to the employees of such employer, the payment of disability benefits as required by this act;

(D) By a plan already in existence on the effective date of this act. If on the effective date of this act, the employees of a covered employer or any class or classes of such employees are entitled to receive disability benefits under a plan or agreement which remains in effect on July 1, 19___, the employer, subject to the requirements of this section, shall be relieved of responsibility for making provision for the benefit payments required under this act until the earliest date, determined by the chairman for the purposes of this section upon which the employer shall have the right to discontinue the provisions thereof or to discontinue his contributions towards the cost. If such a plan is extended by agreement or collective bargaining, the employer shall be relieved of responsibility under this act for the period of such extension. Any other plan or agreement which an employer may have at the time of the effective date of this act, and which the employer may terminate or discontinue his contributions into, may be accepted by the chairman as satisfying the requirements of this act only if the chairman finds that such plan or agreement provides benefits at least as favorable as the disability benefits of this act. The chairman may require a written agreement between the employer and the chairman that the employer will pay the assessments set forth in this act, and that the employer will continue to provide for the payment of disability benefits under such plan or agreement for ninety days after filing written notice of his election to terminate such plan or provide for benefits at least as favorable as those of this act with no greater contribution from employees than is required under section nine of this act. During any period in which any plan or agreement of extension thereof authorized under this section provides for payment of benefits under this act, the plan or agreement shall be effective between the parties rather than this act, except as to section seven, and the assessments set forth in this act;

(E) By a new plan or agreement. After the effective date of this act, a new plan or agreement with a carrier may be accepted by the chairman as satisfying the requirements of this section, if the chairman finds that the benefits provided by such plan or agreement are at least as favorable as the requirements of this act, and such plan or agreement does not require contributions in excess of the statutory amount provided by section four of this act, except by agreement and provided the contribution is reasonable related to the benefits as determined by the chairman. Any such plan or agreement shall continue in effect for ninety

days after written notice of its termination is filed with the chairman, and any modification thereof is subject to the written approval of the chairman. During any period in which any plan or agreement or extension thereof authorized under this section provides for payment of benefits under this act, the plan or agreement shall be effective between the parties rather than this act, except as to section seven, and the assessments set forth in this act;

(F) If any plan or agreement authorized under divisions (D) and (E) of this section covers less than all of the employees of a covered employer, the provisions of this act shall apply with respect to the remaining employees not covered under such plan or agreement.

The chairman may make such regulations as are reasonably necessary for the filings required under divisions (D) and (E) of this section.

Section 12. Certain Individuals Excepted.

Any person who adheres to the faith or teachings of any church, sect, or denomination, and who in accordance with its creed, tenets or principles depends for healing upon prayer or spiritual means, in the practice of religion, shall be exempt from this act upon filing with the chairman and with his employer a statement, in such form as the chairman shall by regulation prescribe, waiving any and all benefits under this act. Such person shall thereupon be exempt from the provisions of this act, including any obligation to make contributions hereunder and any right to receive benefits hereunder.

Section 13. Voluntary Coverage.

Any employer not required to comply with this act can voluntarily elect to become a covered employer, but such election shall be subject to the approval of the chairman, and if such employer's employees are required to contribute to the cost, the assent or more than one-half of such employees shall be evidenced to the satisfaction of the chairman within thirty days before such approval is granted.

Section 14. Non-compliance or Default.

When a covered employer fails to comply with this act, or when a carrier fails to pay the benefits required by this act, then such employer shall be fully and directly liable to each of his employees for the benefits and any benefits payable shall be paid out of the special fund. A penalty will be assessed of either one per centum of the employer's payroll during period of non-compliance, or the amount expended by the special fund in payment to his employees, whichever is greater. The chairman may reduce the sum payable to less than one per centum of payroll when he is satisfied that the non-compliance was inadvertent.

Section 15. Special Fund for Disability Benefits.

There is hereby created a fund which shall be known as the "special fund" for disability benefits to provide for the payment of disability benefits under sections seven and fourteen of this act.

(A) The fund is to be created by a two-tenths of one percentum

assessment on all wages paid employees by covered employers from January 1, 19___, through and including June 30, 19___, (six months) not to exceed twelve cents per week as to each employee, each employee to pay one-tenth per centum not to exceed six cents per week and each employer a like amount. Employers shall collect assessment by payroll deductions, and shall remit to the chairman the total assessment, one half payable March 31, 19___, and one half payable July 1, 19___.

(B) If, by July 1, 19___, \$----- [amount to be determined by actuarial computation] has not been paid into the special fund, an assessment against all carriers will be used to obtain the balance.

(C) All contributions and assessments shall be credited to this fund and turned over to the treasurer of Ohio for the benefit of the fund.

Section 16. Treasurer of State Custodian of the Fund.

The treasurer of the state shall be custodian of the special fund and all disbursements therefrom shall be paid by him upon drafts signed by the chairman or his authorized assistants. [The same rules should apply to the custodian of this fund as apply to the custodian of the state insurance fund as to investments, transfers, etc., under section 4123.42 of the Ohio Revised Code.]

Section 17. Notice and Proof of Claim.

Notice of a claim shall be furnished the employer or chairman in the case of a claim under section seven of this act by the employee claiming benefits, such notice to be in writing, and furnished within fifteen days after commencement of the disability. Proof of claim shall be furnished to the employer, carrier, or chairman as the case may be, within twenty days of commencement of disability. Such proof shall include a statement of disability by the employee's attending physician. Failure to provide notice or proof shall not invalidate the claim, but no payments shall be required for any period more than two weeks prior to date of which required proof is received, unless it be shown to the satisfaction of the chairman that it was not reasonably possible to furnish such notice until it was actually furnished, provided no benefits shall be paid unless proof is furnished within twenty-six weeks after commencement of the disability.

A carrier or employer may require a medical examination of any claimant by a doctor of their choosing not more than once every week, without cost to the claimant.

Any employee who refuses these examinations without good cause forfeits all benefits for the period of such refusal, except those already paid.

Section 18. Assignment or Attachment of Benefits.

Disability benefits paid or payable under this act are inalienable, unassignable and non-attachable.

Section 19. Requirements of Insurance Contract.

Every policy of insurance providing the benefits required to be paid under this act shall contain:

(A) A provision allowing the chairman in the name of the people to enforce the liability of the carrier for the benefit of the insured person;

(B) A provision that as between the employee and the insurance company, knowledge of the employers as to injury or sickness of the employee, shall be notice or knowledge to the insurance company;

(C) A provision that an employer's bankruptcy shall not relieve the insurance company's liability to the employees of such employer;

(D) A binding clause that benefits paid will be at least those required by this act;

(E) A provision requiring at least ten days notice to cancel an insurance contract.

Section 20. Administrative Costs.

[The necessary administrative costs should be assessed against carriers including the state fund in proportion to covered wages. The state insurance fund as a carrier should be limited to twenty-five percent on contributions.]

Section 21 and following.

[The remaining sections would deal with administrative procedures, attorney's fees, and appeals. It is the opinion of the writer that the enforcement proceedings, review functions, administrative procedures, and records presently being used by the Industrial Commission could be utilized as a means of integrating the two programs.]

Section 99. Penalties.

(A) Any employer who fails to provide the benefits required under this act within ten days after he becomes covered shall be [misdemeanor penalty];

(B) Any person who submits a fraudulent claim or a claim containing a false statement of a material fact shall be [misdemeanor penalty];

(C) Any doctor who submits a report required by this act which contains a false statement of a material fact shall be [misdemeanor penalty];

(D) Any person who violates any section of this act for which no other penalty is prescribed shall be [misdemeanor penalty].

ADDENDUM

The proposed act as set out above does not contain amendments to the existing Workmen's Compensation Statutes contained in the Ohio Revised Code. The establishment of a division within the Industrial Commission to administer a disabilities program by amendment to existing sections would have to be accomplished. The state insurance fund created by section 4123.29 of the Ohio Revised Code would have to be

amended to include administration of the moneys received under this act, limiting such moneys to the payment of benefits, expenses and assessments pursuant to this act.

APPENDIX B

A BILL

To supplement the unemployment compensation act by the addition of sections 4141.100 through 4141.111, inclusive, to be known as temporary disability provisions of the unemployment compensation act.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That Chapter 4141 of the Revised Code be supplemented by the enactment of supplemental sections 4141.100 through 4141.111, inclusive.

Sec. 4141.100. Applicability of provisions.—(A) Except as otherwise provided, the provisions and definitions of sections 4141.01 to 4141.99, inclusive, of this act shall apply to this part. In case of any conflict between the provisions of sections 4141.01 to 4141.99, inclusive, and the provisions of this part, the provisions of this part shall prevail with respect to disability benefits and the provisions of sections 4141.01 to 4141.99, inclusive, shall prevail with respect to unemployment benefits.

(B) Divisions (A), (B), (C), and (D) of sections 4141.09 of the Revised Code, and sections 4141.10, 4141.24, 4141.25, 4141.26, and 4141.29 of the Revised Code shall not apply to this part.

Sec. 4141.101. Definitions.—As used in this part, unless the context clearly requires otherwise.

(A) "Contributions" means the money payments required by this part to be made into the disability fund.

(B) "Disability" means an individual's inability, because of any physical or mental condition, to perform his most recent, customary or reasonably similar work, as determined in accordance with regulations of the administrator. Disability includes such inability resulting from pregnancy or childbirth before or after the maternity period as defined in Division (F) of this section.

(C) "Employee" means an individual receiving wages for employment from an employer.

(D) "Fund" means the disability fund established by this part.

(E) "Maternity benefits" means the disability benefits payable to a woman with respect to the maternity period specified in Division (F) of this section.

(F) "Maternity period" means the period beginning six weeks before the date certified by a woman's physician to be the expected date of the birth of her child and ending fourteen weeks later or eight weeks after the birth of the child, whichever is earlier.

(G) "Physician" means an individual licensed to practice medi-

cine, surgery or dentistry under the laws of this or any other state.

(H) "Uninterrupted disability series" means a period of continuous disability or a succession of periods of disability beginning with seven consecutive days of disability as defined in Division (B) of this section which may be either a waiting week or a week of disability for which benefits are payable and continuing until there have been fourteen consecutive days for which benefits are not payable.

(I) "Waiting week" means the first seven consecutive days of disability occurring in a benefit year or within the seven day period immediately preceding such year in which the worker has complied with all the requirements of section 4141.103 of the Revised Code. No benefits are payable for waiting week and no benefits are payable for any period of disability occurring within the benefit year prior to the completion of such waiting week, except that a woman otherwise entitled to maternity benefits shall not be required to serve a waiting week, and except that no insured worker shall be required to serve a waiting week if his first disability occurring within a benefit year is part of an uninterrupted disability series which began in his prior benefit year.

(J) "Week of disability" with respect to an individual means any seven consecutive days throughout which he is disabled as defined in Division (B) of this section.

Sec. 4141.102. (a) Weekly benefit amount.—An insured worker's benefit amount for disability shall be computed in the same manner as provided in section 4141.30 of the Revised Code for unemployment benefits.

(b) Qualifying wages.—To qualify as an insured worker, an individual must meet the requirements of Division (R) of section 4141.01 of the Revised Code.

(c) Maximum potential benefits.—An insured worker's maximum potential disability benefits shall be computed in the same manner as his maximum potential unemployment benefits as provided in Division (D) and (E) of section 4141.30 of the Revised Code. Benefits paid under one program shall not reduce the maximum amount payable under the other. The payment of maternity benefits shall not decrease the maximum amount of disability benefits to which the worker is otherwise entitled.

(d) Benefit for a week or part week of disability.—An insured worker who is either disabled for a week as defined in Division (J) of section 4141.101 of the Revised Code, or in a maternity period as defined in Division (F) of section 4141.101 of the Revised Code, and who meets the conditions of eligibility for benefits of section 4141.103 of the Revised Code shall be paid with respect to such week an amount equal to his weekly benefit amount, plus any allowance for dependents, provided, that if he has received or is entitled to receive wage payments with respect to such week he shall be paid only that amount of benefits which,

together with the amount of any such payments, does not exceed the amount of his full-time weekly wages for the week immediately prior to the beginning of his disability. Any insured worker who is disabled for a part of a week in an uninterrupted disability series and who meets the requirements of 1/7 of his weekly benefit amount, for each full day of disability on of section 4141.103 of the Revised Code shall be paid benefits at the rate which he performed no services. The benefit for any week or part week, if not a multiple of \$1 as above computed shall be computed to the next higher multiple of \$1.

Sec. 4141.103 (a) Eligibility for benefits.—An insured worker shall be eligible for and shall receive waiting-week credit or benefits, as the case may be, for any week or benefits for any part week in an uninterrupted disability series, with respect to which he

(1) Has been disabled as defined in Division (B) of section 4141.101 of the Revised Code or in a maternity period, as defined in Division (F) of section 4141.101 of the Revised Code; and

(2) Has performed no services for an employing unit; and

(3) Has certified for waiting-week credit or filed a claim for benefits as the case may be in accordance with regulations prescribed by the administrator; and

(4) Has filed a physician's certificate for the first week of an uninterrupted disability series, and thereafter as directed by the administrator; and

(5) Has submitted to a medical examination for the purpose of determining his disability, if so directed by the Administrator.

(6) Non-duplication of benefits.—An insured worker shall not receive credit for a waiting week or benefits for any week or part week of disability with respect to which the administrator finds that:

(a) He has received or is seeking unemployment benefits under this or any other employment security law, but if the appropriate agency finally determines that he is not entitled to benefits under such law, this paragraph shall not apply; or

(b) He has received or is receiving compensation for the same disability under a workmen's compensation or employer's liability law of this or any other state or of the federal government, except this subsection shall not apply in the event such other compensation is received for permanent disability. When an insured worker who is otherwise entitled to disability benefits under this act has a right to seek compensation for the same disability under such a law, benefits shall be paid him subject to recoupment to the extent of any amounts subsequently determined to be payable to him on account of such right. The administrator may require such an insured worker to file a claim for such compensation as a condition for receipt of disability benefits. Amounts to be recouped may be recovered, without interest, by deduction from any future benefits

payable to the individual under this act or by civil action in the name of the administrator.

Sec. 4141.104. The provisions of sections 4141.07 and 4141.28 of the Revised Code shall apply to this part with the following variations:

(a) *Determinations.*—When an individual certifies for disability waiting-week credit or benefits, the administrator shall, if no determination of the individual's insured status has been made with respect to a current benefit year, promptly determine such individual's insured status. The administrator shall also promptly determine for each week with respect to which the claimant certifies for waiting-week credit or files a claim for benefits, whether he is entitled to waiting-week or benefits under section 4141.103 of the Revised Code.

(b) *Written notice of determination.*—If the administrator determines pursuant to section 4141.103 of the Revised Code that a claimant is not eligible to receive credit for a waiting week or benefits for a week or part week, he shall promptly furnish to such claimant written notice of such determination together with a statement of the reasons therefor.

(c) Notwithstanding the provisions of section 4141.28 of the Revised Code only the employing unit which, in accordance with regulations of the administrator, furnishes information affecting an individual's right to disability benefits, or waiting week credit, shall be entitled to receive any notice of any determination based in whole or in part on the information so furnished; but no employing unit shall have a right to appeal or to apply for a reconsideration, except with respect to questions of wages and of employment.

(d) *Payment of benefits for deceased insured workers.*—In any case where an individual would have been eligible for disability benefits, except for the fact that he died before making a claim therefor, the administrator may, in accordance with such regulations as he may prescribe, permit the filing of a claim for such benefits by the person or persons payment to whom the administrator finds would affectuate the purposes of this law. Such regulations need not conform to the statutes applicable to the descent and distribution of decedent's estates. A receipt from the person or persons to whom the administrator makes payment shall fully discharge the fund and the administrator from liability for such benefits.

Sec. 4141.105. The provisions of section 4141.28 of the Revised Code with respect to appeals shall apply to this part with the following variations:

(a) *Medical testimony.*—When hearing a disability benefit appeal, a referee or the board of review may call as an expert witness any medical advisor appointed by the administrator or any physicians as defined in Division (G) of section 4141.101 of the Revised Code. A medical expert, not a state employee, shall receive a fee of \$35 per day plus necessary expenses.

(b) Closed hearings.—In proceedings under this part, the referee or board of review hearing an appeal shall order a closed hearing on request of a claimant and may also order a closed hearing upon its own motion.

Sec. 4141.106. Employer contributions.—Each employer shall contribute to the disability fund one percent of wages paid by him with respect to employment during each calendar year beginning January 1, 1958, except as otherwise provided in Division (G) of section 4141.01; and provided further, that the total contributions payable by each such employer during each calendar year under sections 4141.24, 4141.25, and 4141.26 of the Revised Code, and under this section shall not exceed two and seven-tenths per cent of wages paid by him with respect to employment, except that under conditions specified in Division (E) of section 4141.25 of the Revised Code such total contributions shall not exceed three and two-tenths per cent. In allocating the amount due the disability fund under this section the administrator shall first credit the contributions due the unemployment compensation fund as provided in sections 4141.24, 4141.25 and 4141.26 of the Revised Code. Such contributions shall become due and be paid by each employer to the administrator for the fund in accordance with such regulations as the administrator may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in employment for such employer.

Sec. 4141.107. The provisions of sections 4141.24, 4141.25 and 4141.26 of the Revised Code shall apply to the collection of contributions with the following variations:

(a) Interest on past-due contributions.—Interest or penalties collected on disability contributions shall be paid into the disability fund.

Sec. 4141.108. (a) Establishment and control.—There is hereby created in the state treasury a special fund, separate and apart from all public money or funds of this state, to be known as the disability fund, which shall be administered in accordance with the direction of the administrator exclusively for the purpose of this part. This fund shall consist of (1) all contributions collected pursuant to this part, together with any interest and penalties thereon collected pursuant to section 4141.107 of the Revised Code; (2) all fines and penalties collected with respect to the disability program; (3) all interest earned upon any money in the fund; (4) all property or securities acquired in lieu of contributions or other liabilities to the fund; (5) all earnings of such property or securities; (6) all money recovered on losses sustained by the fund; (7) all money withdrawn from the unemployment fund of this state as authorized by Division (E) of this section; (8) all money received for the fund from any other source. All money in the fund shall be commingled and undivided.

(B) Accounts and deposit.—(1) The administrator may deposit money payable to the disability fund in the clearing account established

under Division (C) of section 4141.09 of the Revised Code. After clearance, notwithstanding the provisions of Division (C) of section 4141.09 of the Revised Code, money payable to the disability fund shall be deposited in a separate disability fund account. Refunds may be paid from money payable to the disability fund in the clearing account or from the disability fund account.

(C) Money in the disability fund may be deposited in any depository bank in which general funds of the state may be deposited. Money in the disability fund shall not be commingled with other state funds, but shall be maintained in a separate account on the books of the depository bank. Such money shall be secured by the depository in which it is held to the same extent and in the same manner as required by the general depository law of this state, and collateral pledged for this purpose shall be maintained in a separate custody account. Money in the disability fund not needed for current expenditure may be invested in interest-bearing obligations of the United States or of this state.

(D) Expenditures from the disability fund.—Money in the disability fund shall be used exclusively for the payment of benefits for refunds, and for administrative expenses, to the extent provided by Division (E) of section 4141.108 of the Revised Code. Expenditures of money in the disability fund account and in the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody. All warrants issued for the payment of benefits and refunds shall be signed by the administrator or his duly authorized agent for that purpose.

(E) Administrative expenses.—Such amounts as may be determined by the administrator, but not exceeding in any fiscal year ten per cent of current contributions deposited in the disability fund, may be withdrawn from the disability fund to be deposited in the disability administration fund for the payment of the expenses of administering this part; Provided, That such amounts shall be available for the payment of expenses of administration only to the extent that money received from the United States of America or any agency thereof is not available for such purpose.

(F) Withdrawals from the unemployment trust fund.—The administrator is authorized to requisition from this state's account in the unemployment trust fund in the treasury of the United States, for the purpose of paying cash benefits to individuals with respect to their disability, a sum or sums not exceeding an amount equal to amounts permitted by federal law to be withdrawn from such fund for such purpose. None of the money so withdrawn from the unemployment trust fund shall be used for expenses of administration, except as permitted by federal law.

Sec. 4141.109. (a) Disability administration fund.—There is hereby created in the state treasury a special fund to be known as the

disability administration fund. All money deposited or paid into this fund shall be continuously available to the administrator for expenditure in accordance with the provisions of this part, and shall not lapse at any time or be transferred to any other fund. The fund shall consist of (1) all money withdrawn from the disability fund as provided in Division (F) of section 4141.108 of the Revised Code; (2) all money appropriated by this state; (3) all money received from the United States of America, or any agency thereof, and all money received from any other source for the administration of this part; (4) all money received from any agency of the United States or any other state as compensation for services or facilities supplied to such agency; (5) all amounts received pursuant to any surety bond or insurance policy or from other sources for losses sustained by the disability administration fund or by reason of damage to property, equipment, or supplies purchased from money in such fund; and (6) all proceeds realized from the sale or disposition of any such property, equipment, or supplies which may no longer be necessary for the proper administration of this part.

(b) Protection against loss.—Such money shall be secured by the depository in which it is held to the same extent and in the same manner as required by the general depository law of this state and collateral pledged shall be maintained in a separate custody account. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the disability administration fund provided under this part. Such liability shall be effective immediately upon the enactment of this provision, and shall exist in addition to any liability upon any separate bond existent on the effective date of this provision, or which may be given in the future.

(c) Deposit and disbursement.—All money in the disability administration fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for other special funds in the state treasury, except that money in this fund shall not be commingled with other state funds, but shall be maintained in a separate account on the books of a depository bank. All money in this fund shall be expended solely for the purpose and in the amounts found necessary by the administrator for the proper and efficient administration of this part. All money in this fund received from the federal government or any agency thereof shall be expended in accordance with the terms of such grant.

Sec. 4141.110. The unemployment insurance provisions of this act are amended as follows:

(a) Definition of benefits.—Division (C), section 4141.01 of the Revised Code, is amended to read: "Benefits" means money payments payable to an individual who has established benefit rights, as provided in sections 4141.01 to 4141.111, inclusive, of the Revised Code, for loss of remuneration due to his unemployment or disability. Notwith-

standing division (D) of section 4141.30 of the Revised Code, if the computation of the total amount of benefits payable results in an amount not in multiples of one dollar, the total amount payable shall be increased to the next higher even multiple of one dollar.

(b) Administrative organization.—Section 4141.03 of the Revised Code is amended to read: “The administrator shall establish three co-ordinate divisions: (1) the Ohio state employment service division, created pursuant to section 4141.04 of the Revised Code, (2) the disability insurance division, and (3) the unemployment compensation division. Each division shall be a separate administrative unit with respect to personnel, budget, and duties, except in so far as the administrator may find that such separation is impracticable.”

(c) Section 4141.46 is amended to read: “Sections 4141.01 through 4141.111 inclusive, of the Revised Code, shall be liberally construed to accomplish the purposes thereof.”

Sec. 4141.111. This part shall take effect upon passage, but benefits shall not be payable thereunder until six months after the date on which contributions first become payable.