

Unified Regulatory Plan for the Virginia Employment Commission for State Fiscal Year 2026

Prepared June 27, 2025

Agency Description

The Virginia Employment Commission (VEC) is responsible for the administration of the Commonwealth's unemployment compensation program. The commission adjudicates claims for unemployment compensation and collects the payroll tax imposed on employers for purposes of such compensation. It may determine whether employing units or services are subject to the Virginia Unemployment Compensation Act and approve election by certain noncovered employers to become subject to the Act; prescribe the frequency of employer reporting and taxes; require recordkeeping; inspect records; issue subpoenas; make refunds; assign tax rates; enter into reciprocal arrangements with other jurisdictions; and make regulations respecting payment of benefits, respecting claims hearing and appeals procedures, and otherwise to carry out the Act. Code of Virginia, Title 60.2. The VEC operates under the supervision of the Secretary of Labor.

Action/Stage or Guidance Document Forum ID (if available)	
Not Available – Anticipated Action	
Title of Proposed Regulatory Action or Guidance Document	
Repeal Chapter 42 Combined Employer Accounts	
Brief Overview	
This change is to repeal Chapter 42 as it is unnecessary regulation. The concept of combined employer accounts is codified in the Code of Virginia, specifically in § 60.2-505, which pertains to group accounts. This section allows two or more employers that have become liable for payments in lieu of taxes to file a joint application to the Virginia Employment Commission (VEC) for the establishment of a group account. The purpose of this group account is to share the cost of benefits paid that are attributable to service in the employ of such employers. Upon approval, the VEC establishes the group account effective as of the beginning of the calendar quarter in which it receives the application, and the account remains in effect for not less than two years. There are currently less than 5 employer accounts, if any, registered with the VEC and the UI system does not have a mechanism for managing combined accounts.	
Regulatory Stage (check one box)	☐ NOIRA ☐ Proposed ☐ Final ☐ Emergency or Emergency/NOIRA ☐ Revised Proposed ☒ Fast-Track
Additional Description	☐ Expedited Review Requested ☐ Exempt Action ☐ Guidance Document
Legal Authority	☐ Action required by federal statute ☐ Action required by state statute ☒ Discretionary Action
Deregulatory Component	Removing Obsolete or Non-Functional Rules: If the system can't operationalize combined employer accounts anyway, keeping the chapter in place may be largely symbolic or create unnecessary administrative overhead. Eliminating unused regulations helps simplify compliance for employers and reduces the volume of administrative rules the VEC has to enforce or oversee
Expected Date	July 3, 2025