



OLR RESEARCH REPORT

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OLR BACKGROUNDER: CHANGES IN UNEMPLOYMENT BENEFITS AND ELIGIBILITY IN OTHER STATES

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This report describes the notable changes that other states made to their unemployment systems' benefits and eligibility requirements in 2009 – 2011. It is drawn from the U.S. Department of Labor's reports on state unemployment legislation. The department has not yet issued a 2012 report. Complete versions of the 2009-2011 reports can be found at <http://workforcesecurity.doleta.gov/unemploy/statelaws.asp>.

SUMMARY

The 2008 recession and its aftermath placed significant demands on the states' unemployment systems. The states have responded by enacting legislation aimed at helping both their unemployed claimants and their severely stressed unemployment systems. In many cases, these systems have become insolvent and forced to rely on loans from the federal government.

In general, initiatives aimed at helping unemployed claimants include:

1. creating an "alternative base period" that provides a second method to determine eligibility for a claimant who might have otherwise been ineligible for benefits (enacted by 19 states);

2. expanding voluntary separation eligibility to allow benefits for claimants who voluntarily left their employment for reasons such as illness, domestic violence, or to accompany a reassigned spouse in the military (enacted by 29 states);
3. allowing or extending benefits to claimants in certain training programs; and
4. increasing benefit amounts.

In response to the fiscal burden on their unemployment systems, the states have also enacted initiatives to tighten benefit eligibility requirements and limit the amounts and duration of benefits. Legislation on benefit eligibility has particularly focused on:

1. defining and expanding the types of misconduct for which an employee can be discharged and ineligible for benefits;
2. broadening the “suitable employment” a claimant must apply for or accept;
3. requiring claimants to participate in reemployment training; and
4. increasing the amounts claimants must have earned prior to becoming unemployed.

NOTABLE UNEMPLOYMENT SYSTEM CHANGES

Table 1 shows the notable changes that the states have made to their unemployment systems’ benefits and eligibility requirements in 2009 – 2011. Due to their prevalence, laws creating alternative base periods and expanding voluntary separation eligibility are not included in the table.

Table 1: Notable Unemployment System Changes, 2009-2011

State	Year	Bill	Benefits	Eligibility
AR	2009	SB 429		Temporarily increases the disqualification period for claimants discharged for misconduct (extended through 2013 by 2011 HB 1909)
	2011	SB 593	Decreases the minimum weekly benefit from \$82 to \$81 Decreases the maximum weekly benefit from \$457 to \$451	<p>Lowers the amount claimants must earn to qualify for benefits</p> <p>Disqualifies claimants (1) discharged for absenteeism under certain circumstances; (2) who chose termination for poor performance instead of accepting an alternate suitable job; or (3) who are offered suitable work but fail, or fail to take, a required drug test</p> <p>Lengthens the disqualification period for claimants (1) discharged for certain misconduct or (2) who fail to accept available suitable work without good cause</p> <p>Disqualifies claimants</p>
CA	2010	AB 2058		Allows claimants to receive benefits while in the CA Training Benefits Program
CO	2009	HB 1076	Stops reducing a claimant's UI benefit by 50% of the claimant's Social Security retirement benefit	

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
FL	2009	SB 810		Allows benefits to claimants who give notice but are then discharged before leaving Denies benefits to claimants who are discharged but then quit before the discharge takes effect
	2010	SB 1736		Requires claimants to register and report to career centers for reemployment services
	2011	HB 7005	Decreases the maximum amount of benefits a claimant can receive Limits benefits to 12 weeks if the state's unemployment rate is less than 5% and allows an additional week of benefits for each additional 0.5% increase in the unemployment rate Caps benefits at 23 weeks if the state's unemployment rate is over 10.5%	Expands the definition of "misconduct" for which employees can be discharged (and disqualified for benefits) to include certain acts that occur away from the workplace and off working hours Requires claimants to contact at least 5 prospective employers each week or report to career centers for reemployment services
HI	2010	HB 2169	Beginning in 2012, decreases the maximum weekly benefit from 75% of the average weekly wage to 70% of the average weekly wage	
ID	2009	HB 248	Extends benefits for claimants in certain training programs	
	2010	HB 646	Reduces a claimant's UI benefit by the amount of any workers' compensation disability benefits the claimant receives	
IL	2009	SB 1350	Sets minimum and maximum dependant allowances	

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
	2011	HB 1030	Allows for decreases in maximum total benefits under certain circumstances	
		SB 72	Decreases maximum weekly benefits rates beginning in 2016	
IN	2009	HB 1379	Reduces the maximum benefit for claimants who fail to apply for jobs	<p>Increases the amount claimants must earn to qualify for benefits from \$2,750 to \$4,200</p> <p>Requires claimants to submit at least one job application per week (repealed in 2010)</p> <p>Requires claimants to accept increasingly lower paid positions as “suitable employment” after 5 and 8 weeks of unemployment</p> <p>Expands the definition of “gross misconduct” for which employees can be discharged (and denied benefits)</p>
	2011	HB 1450	Temporarily caps the amount of a claimant’s wages used to determine benefits	<p>Disqualifies claimants who are employed on an on-call or as-needed basis</p> <p>Disqualifies claimants who chose to retire and collect a pension instead of a layoff due to a factory/ plant closing</p>

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
KY	2010	HB 5a	<p>Establishes a 1-week waiting period to collect benefits</p> <p>Increases the weekly benefit rate from 1.185% to 1.3078% of a claimant's base period wages</p> <p>Bases the maximum increase in the maximum benefit rate on the amount in the unemployment trust fund</p>	
MD	2009	HB 740/ SB 576	Increases the maximum weekly benefit amount	Increases the amount a claimant must earn to qualify for the maximum weekly benefit
	2010	SB 107	<p>Increases the minimum weekly benefit amount and the minimum earnings needed to qualify for it</p> <p>Increases the maximum weekly benefit amount and the minimum earnings needed to qualify for it</p> <p>Lowers the amount a claimant can earn while still receiving full benefits</p>	Increases the disqualification period for claimants discharged for misconduct or gross misconduct
MI	2011	HB 4408	Decreases benefit weeks from 26 to 20	
MN	2009	HB 2088		<p>Broadens the geographic area in which a claimant must be willing to accept employment</p> <p>Allows benefits to claimants who accepted a temporary layoff so that another employee could avoid a layoff</p>

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
	2010	SB 2510	Limits how much a claimant's benefits can be reduced if he or she becomes unemployed again during a certain period of time	Allows claimants to turn down an employment offer from a staffing service unless more than 45% of their previous employment was through a staffing service
	2011	SB 1130		Increases the amount claimants must have earned to be eligible for benefits from \$2,000 to \$2,400 Lowers the staffing service threshold enacted in 2010 from 45% to 25%
MT	2009	SB 150	Proportionately reduces benefits for claimants who are unavailable on certain days to take otherwise available work	Denies benefits during an approved leave of absence but provides them if the position is no longer available when employee returns Denies benefits during a disciplinary suspension up to 2 weeks
NE	2010	L 1020		Increases the disqualification period for leaving work voluntarily from 12 to 13 weeks
NH	2009	SB 129	Creates a 1-week waiting period before a claimant can collect	
	2010	HB 1411		Requires school superintendants to notify support personnel and non-teachers in writing if they will be employed the next school year (and thus ineligible for benefits)
	2011	HB 26		Lowers the theft threshold for "gross misconduct" from \$500 to \$250 Establishes a new disqualification period for claimants discharged for theft between \$100 and \$250

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
NM	2009	HB 20	Increases benefits from 53.5% to 60% of claimant's average weekly wage; sets maximum benefit as 60% of state's average weekly wage for all insured work (returned to 53.5% in 2010)	
NC	2009	HB 1124		Allows veterans to collect benefits if they were fired for acts or omissions caused by a severe disability incurred in the line of duty
	2010	HB 1676		Disqualifies substitute teachers for benefits unless they have worked as a substitute for at least 30 hours per week for at least 6 months
	2011	SB 532		Allows benefits to claimants in certain training programs Broadens the definition of misconduct for which employees can be discharged (and ineligible for benefits)
ND	2009	SB 2108		Requires claimants to complete all assigned services and report to local offices
PA	2011	SB 1030	Freezes maximum weekly benefit amounts for 2012 and limits future increases while the state's trust fund is insolvent	Increases the amount a claimant must have earned to qualify for benefits With some exceptions, requires claimants to register and post a resume with the state's Career Link system

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
RI	2010	HB 7397	Increases the minimum dependent's allowance from \$10 to \$15 per dependent Caps the total dependent's allowance at the greater of \$50 or 25% of a claimant's weekly benefit	
SC	2010	SB 391	Increases the minimum weekly benefit from \$20 to \$42	Increases the amount a claimant must have earned to be eligible for benefits from \$900 to \$4,455
	2011	HB 3762	Reduces benefit weeks from 26 to 20	
TN	2009	HB 2324	Creates a \$15/ week dependant child allowance with \$50/ week aggregate limit	
	2010	HB 2092		Allows benefits to claimants enrolled in higher education institutes if they are otherwise eligible to receive them
UT	2009			Disqualifies claimants from benefits for 52 weeks if they were discharged for a crime in connection with work
VT	2009	HB 442	Delays a scheduled automatic increase in the maximum weekly benefit amount	
	2009	HB 313	Provides an additional 26 weeks of benefits to claimants in certain training programs	

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
	2010	SB 290	<p>Prohibits automatic annual increases in the maximum weekly benefit amount when the UI trust fund is in debt</p> <p>Creates a 1-week waiting period before a claimant can collect benefits</p>	<p>For employees discharged for gross misconduct, removes wages earned at that employer from being used to determine benefit amounts and eligibility</p> <p>Allows claimants to be required to participate in reemployment services</p> <p>Increases the potential disqualification period for claimants who discharged for misconduct</p> <p>Defines “gross misconduct” to include intoxication and certain repeated incidents of unprovoked insubordination or public profanity</p>
VA	2010	HB 535	Increases minimum weekly benefits from \$54 to \$60 in 2011 (increase delayed until 2012 by 2011 SB 1010)	Increases the amount a claimant must have earned to qualify for minimum benefits
	2011	SB 1010		Increases the amount a claimant must have earned to qualify for minimum benefits from \$2,700 to \$3,000
WA	2009	HB 1906	<p>Increases all benefits \$45</p> <p>Increases the minimum weekly benefit from \$129 to \$155</p> <p>Increases the maximum weekly benefit from \$541 to \$586</p>	

Table 1 (continued)

State	Year	Bill	Benefits	Eligibility
	2009	SB 5963		Allows benefits to claimants who voluntarily left work due to drastic decreases in compensation or work hours, poor work conditions, or changes in work location
	2011	HB 1091	Temporarily increases minimum and maximum benefits by \$25	
WV	2009	SB 246		Allows employees to be fired for "gross misconduct" (and thus ineligible for benefits) if (1) they are under the influence of a controlled substance at work without a prescription; (2) manipulate a lawful drug or alcohol test; or (3) refuse to submit to random alcohol or drug testing for employees in safety sensitive positions