

# Changes in unemployment insurance legislation during 1987

*Illinois, Minnesota, and Wisconsin made extensive modifications to their laws; among the States generally, changes involved raising tax rates, restricting eligibility, and increasing qualifying requirements*

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During 1987, State legislatures took very little action on unemployment insurance matters except in Illinois, Minnesota, and Wisconsin where extensive changes were made. Weekly benefit amounts were increased in seven States, and eight States amended their qualifying wage requirements.

Financing provisions were amended in several States and most raised the maximum tax rates or made provision for extra assessments, or both, to strengthen their trust funds. In

Louisiana, Texas, and West Virginia, the laws were amended to provide for the issuance of bonds for the financing and repayment of Federal advances to the State funds. Wyoming provided for State interfund borrowing for the payment of benefits or repayment of Federal advances.

Following is a summary of significant changes in State unemployment insurance laws during 1987.

## Arkansas

**Benefits.** An individual will not be liable for repayment of benefits if he or she received a backpay award that was reduced by the amount of benefits received for the same period, if the director of the State agency is furnished a signed copy of the award. In this instance, the employer will be liable to pay the unemployment insurance fund the reduced amount of backpay and have his account credited with the amount paid. The term "week" was redefined in the law as a 7-consecutive-day period beginning on Sunday at 12:01 a.m. and ending at midnight the following Saturday. The percentage used in determining the minimum weekly benefit amount was lowered from 15 percent to 12 percent of the State average weekly wage.

**Disqualification.** Payment of benefits during short-term layoffs is now prohibited under certain conditions. An individual will not be considered "unavailable for work" during a week if he or she has to withdraw from the labor market for less than 4 days in that week due to a compelling personal emergency. If an individual is suspended from work for misconduct connected with the work, he or she will be disqualified for the duration of the suspension or for 8 weeks, whichever is less. If an individual, while on layoff, voluntarily removes his or her name from a recall list maintained by the base-period employer, that individual will be disqualified unless he or she is employed elsewhere full time or has a compelling reason for removing the name.

## California

**Coverage.** A new enactment excludes from coverage services performed by a full-time student in the employ of an organized camp, if certain conditions are met.

**Financing.** An employer's unemployment insurance account will not be charged with benefits paid to an individual who was discharged, or who quit, as a result of an irresistible compulsion to use or consume intoxicants.

**Benefits.** The retraining benefits program established in 1981 was extended to January 1, 1993.

**Disqualification.** A disqualification of 52 weeks for misrepresentation to obtain benefits will no longer apply to an individual convicted of the violation.

## Colorado

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1993. The definition of political subdivision (local governmental entity) was amended to include an Indian tribe organized according to the Federal Indian Reorganization Act of 1934.

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**Benefits.** For purposes of the extended benefits program, the weekly benefit amount and the total benefit amount will be reduced by the amount of any reduction mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 (hereafter termed Gramm-Rudman-Hollings). Claimants in an internship program (as defined in the "Disqualification" section below) will receive stipends along with their benefits. In addition, internship stipends will not be considered wages for the purpose of calculating weekly benefit amounts.

**Disqualification.** Lump-sum retirement payments received by an individual will no longer be deductible from unemployment compensation if certain conditions are met. The law was changed so that training with the approval of the Colorado Department of Employment and Labor now includes participation in internship programs established by employment offices under contract with the State of Colorado in cooperation with service delivery areas established under the Job Training Partnership Act of 1983.

### Connecticut

**Financing.** Taxable wages reported to the State agency on or before September 30 will be used in determining the employer's tax rate for a year.

**Administration.** An appeal now may be deemed timely if the filing party can show good cause for filing after the 21-day period otherwise mandated by the law. The State employment security board was given the responsibility for establishing a definition for good cause in relation to timeliness in the filing of motions or appeals.

### Delaware

**Financing.** Regardless of the contribution rate established for the industry in which he or she operates, no new employer may have a contribution rate of less than 1.0 percent. Deleted was the requirement that no new employer could have a reduced rate if he or she had no employment for five or more consecutive calendar quarters. Therefore, an employer may have a reduced rate based on actual experience even if there has been a break in employment.

Until December 31, 1987, all employers are charged a 1.5-percent supplemental assessment, regardless of their basic rate. Beginning in calendar year 1988, an employer's tax rate will be increased whenever the trust fund balance is more than \$90 million. The supplemental assessment rate will be based on the employer's earned basic assessment. For example, if the basic

assessment ranges from 0.1 percent to 3.9 percent of taxable wages, the supplemental assessment will be 1.1 percent. If the basic assessment is 8.0 percent, the supplemental assessment will be 1.5 percent. If the trust fund balance is less than \$90 million, each employer's basic rate will be increased by a supplemental assessment of from 1.5 percent to 2.5 percent, depending on the basic rate.

**Benefits.** The maximum and minimum weekly benefit amounts (\$205 and \$20, respectively) were frozen for the period July 1 through December 31, 1987. The requirement for computing the maximum weekly benefit amount as  $66\frac{2}{3}$  percent of the statewide average weekly wage was deleted. Beginning January 1, 1988, an individual's weekly benefit amount will be computed as  $\frac{1}{40}$  of the wages in the two highest quarters of the base period if the trust fund balance is equal to or greater than \$90 million, or as  $\frac{1}{52}$  of the wages in the two highest quarters of the base period if the trust fund balance is less than \$90 million. However, in both instances, the minimum weekly benefit amount may not be less than \$20, nor the maximum weekly benefit amount more than \$205.

**Disqualification.** All dismissal payments will be considered wages, and therefore deductible from the weekly benefit amount.

### Florida

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to December 31, 1992. Beginning January 1, 1988, coverage of agricultural labor will pertain to all employers with at least 5 (currently 10) employees in each of 20 weeks, or with at least \$10,000 (currently \$20,000) in payrolls in any calendar quarter.

**Benefits.** The maximum weekly benefit amount was increased from \$175 to \$200.

### Georgia

**Financing.** For the period April 1, 1987, through March 31, 1992, there will be an administrative assessment equal to 0.06 percent of taxable wages for all employers except: (1) nonprofit organizations and governmental entities that are authorized to either pay contributions or elect to make payments in lieu of contributions; or (2) employers assigned either the minimum rate of 0.06 percent or the maximum rate of 8.64 percent. New employers also will be subject to the assessment. For the same period, new employers will pay 2.64 percent and experience-rated employers will pay rates ranging from 0.04 percent to 5.4 per-

cent, reflecting a reduction of the otherwise mandated tax rates by the 0.06-percent administrative assessment.

**Benefits.** The maximum weekly benefit amount was increased from \$145 to \$155, and the minimum amount from \$27 to \$37. Effective July 2, 1988, the maximum weekly benefit will increase to \$165. However, the \$115 maximum will still apply if the program trust fund level is less than \$175 million.

**Disqualification.** The discharge for misconduct disqualification was changed from a variable 4 to 11 weeks to a duration disqualification or until the individual earns eight times the weekly benefit amount. An individual will be disqualified for gross misconduct until he or she earns insured wages equal to at least 12 times the weekly benefit amount if the discharge was for (1) intentional conduct on the job that results in injury to the employer, fellow employees, customers, patients, bystanders, or the eventual consumer of products; or (2) intentional conduct that results in the employee being discharged for theft valued at \$100 or less. Also, an individual may be disqualified for gross misconduct until he or she earns 16 times the weekly benefit amount when the discharge was for intentional conduct resulting in property loss or damages of at least \$2,000; theft of property, goods, or money valued at over \$100; sabotage; or embezzlement. An individual will not be disqualified for misconduct if (1) the individual made a good faith effort to perform the duties for which hired, but was simply unable to do so; (2) the individual did not intentionally fail or consciously neglect to perform the duties; (3) the discharge occurred because of absenteeism caused by illness of the claimant or a family member, unless the claimant failed, without justification, to notify the employer; (4) the discharge occurred as the result of the violation of an employer rule of which the claimant was not informed; or (5) except for activity requiring disqualification because of a labor dispute, the employee was exercising a protected right to protest against wages, hours, working conditions, or job safety under the National Labor Relations Act or other laws.

### Hawaii

**Financing.** For calendar year 1988, wages, for tax purposes, will not include remuneration paid which exceeds (1) 100 percent of the State average annual wage, if the ratio of the current reserve fund to the adequate reserve fund is equal to or less than 0.8; or (2) 75 percent, if the ratio is greater than 0.8 but less than 1.2; or (3) 50

percent, if the ratio is equal to or more than 1.2. A special unemployment insurance administration fund was created which will consist of all fines, interests, and penalties collected.

## Idaho

**Financing.** For calendar years 1987 and 1988, positive-balance employers will pay contributions ranging from 1.7 percent to 3.5 percent of taxable wages, and negative-balance employers will pay from 4.0 percent to 5.6 percent. New employers will pay 3.7 percent.

**Benefits.** The base-period qualifying wages were changed from  $1\frac{1}{2}$  to  $1\frac{1}{4}$  times the wages earned in the high quarter of the base period. The minimum high-quarter wage requirement of \$1,144.01 still applies. The ratio of base-period wages to high-quarter wages for determining duration of benefits was changed from 1.25 for a minimum of 10 weeks to 3.25 for a maximum of 26 weeks.

## Illinois

**Coverage.** A new enactment excludes from coverage services performed by an individual as a direct seller, if certain conditions are met.

**Financing.** The taxable wage base for calendar years 1988 through 1992 will be \$9,000 and, beginning January 1, 1993, \$8,500. Provisions of law requiring a new employer to pay contributions equal to the greatest of 2.7 percent, 2.7 percent multiplied by the current State adjusted experience factor, or the average contribution rate for the employer's major industry classification, which were to expire at the end of 1987, were permanently extended. Special contribution conditions will apply in calendar years 1989 and 1990 to new employers who have had experience with the risk of unemployment for at least 13 consecutive months ending June 30 of the preceding year. For benefit years beginning on and after July 1, 1989, benefits will be charged to the last employer for whom the individual worked in covered employment and earned wages on each of 30 days. (Currently, benefits are charged proportionately to the base-period employers.)

The tax system will be converted from a benefit-wage ratio (proportion of employer payroll paid to workers receiving unemployment benefits) system to a benefit ratio (ratio of benefits paid to total employer payroll) system over calendar years 1988-92. In calendar year 1988, the State experience factor will be the sum of all regular benefits paid plus the benefit reserve for fund building during the 3-year period end-

ing on June 30 of the year immediately preceding the year for which a rate is being determined, divided by the net revenues for the 3-year period ending on September 30 of the same year, adjusted to the nearest multiple of 1 percent. The adjusted State experience factor will be 111 percent for 1988; not less than 75 percent or more than 135 percent for 1989 through 1992, during which period it may not be lowered by more than 5 percent (absolute) from the State experience factor for the preceding year; and 123 percent beginning in calendar year 1993.

Beginning July 1, 1989, an employer's experience rate will depend, in part, on benefit charges rather than on benefit wages. Beginning in 1991, the benefit ratio of each eligible employer will be a percentage computed using a benefit conversion factor that takes into account previously paid benefit wages and benefit charges. An employer's maximum contribution rate for 1988 through 1992 will be the greater of 6.4 percent or the product of 6.4 percent and the adjusted State experience factor for the year. An employer's maximum contribution rate for 1993 and subsequent years will be 6.7 percent. The minimum rate will continue to be the greater of 0.2 percent or the product obtained by multiplying 0.2 percent by the adjusted State experience factor. No employer with total wages in any quarter (during 1988 and thereafter) of less than \$50,000 shall pay contributions which exceed 5 percent in 1988 and 5.4 percent in 1989 and thereafter.

Beginning in 1989 and ending December 31, 1992, a surcharge of 0.2 percent will be added to each employer's tax rate when the trust fund on May 15 is less than \$80 million. This surcharge is increased by 0.2 percent for each subsequent year in which the trust fund balance is below \$80 million. For calendar years 1988 through 1992, a fund-building rate equal to 0.4 percent will be added to each employer's basic rate. The fund-building rate will increase to 0.6 percent in 1993 and subsequent years. The provision for an emergency contribution rate when the State's account in the Federal unemployment trust fund was less than \$100 million was repealed.

**Benefits.** For the period January 3, 1988, to January 1, 1993, a weekly benefit amount will be computed as 49 percent of the claimant's average weekly wage, up to 49 percent of the State average weekly wage. For the same period, the formula for dependents' allowances shall be 8 percent of the claimant's prior average weekly wage (not to exceed 57 percent of the State average weekly wage) for a nonworking spouse, or 15 percent of the claimant's prior average weekly wage (not to exceed

64 percent of the State average weekly wage) for other dependents. Beginning January 1, 1993, a weekly benefit amount will be computed as 48 percent of the claimant's average weekly wage up to 48 percent of the State average weekly wage; dependents' allowances will be 7 percent of the claimant's prior average weekly wage (not to exceed 55 percent of the State average weekly wage) for a nonworking spouse, or 14.4 percent (not to exceed 62.4 percent of the State average weekly wage) for dependents.

For calendar years 1988, 1989, and 1990, the statewide average weekly wage will be \$359, \$381, and \$406, respectively. Beginning with calendar year 1993, the average weekly wage will be \$350. For calendar years 1991 and 1992, the average weekly wage will be the previous calendar year's average weekly wage plus (or minus) an amount equal to the percentage change in the average weekly wage between the two immediately preceding benefit periods, multiplied by the previous calendar year's statewide average weekly wage. For benefit periods between January 1, 1991, and December 31, 1992, the statewide average weekly wage will be the average weekly wage in effect for the previous benefit period if two of the following three factors occur: (1) the average contribution rate of employers for the calendar year 2 years prior to the base period as a ratio of total contributions to total wages was 0.2 percent greater than the national average of this ratio; or (2) the trust fund balance was less than \$250 million on March 31 of the prior year; or (3) the number of first payments of initial claims on June 30 of the prior year had increased more than 25 percent over the average during a 5-year period ending on the same June 30. Also, if *all* the conditions above occur, the statewide average weekly wage shall decrease 10 percent. The base period may be extended after receipt of temporary total disability benefits under any workers' compensation or occupational disease act.

**Disqualification.** A labor dispute disqualification will exclude individuals affected by a lockout if (1) an employer refuses to meet under reasonable conditions with the union representative to discuss the lockout; or (2) there is a final adjudication under the National Labor Relations Act that, during the lockout, the employer refused to bargain in good faith with the union representative over the lockout issues; or (3) the lockout violated the existing union agreement. Also, an individual's total or partial unemployment resulting from any reduction in operations, reduction in force, or layoff of employees by an employer in anticipation of collective bargain-

ing negotiations will not be considered as being due to a stoppage of work which exists because of a labor dispute until the actual commencement of a strike or lockout.

A definition of misconduct was added to cover the deliberate and willful violation of an employer's reasonable rule or policy governing the individual's behavior in the performance of work, provided the violation has harmed the employer or employee or has been repeated despite a warning or other explicit instruction from the employer. Also, if an individual disqualified for misconduct is reinstated by the employer, the requalifying requirement will be deemed satisfied.

**Administration.** A \$2 million program was established to pay lawyers to represent small businesses and claimants at unemployment insurance hearings. The program will be funded from the existing Special Administrative Account.

### Indiana

**Administration.** The State Employment Security Division was replaced with the Department of Employment and Training Services, which shall be administered by an executive director. The Indiana Unemployment Insurance Board was established to replace the employment security board, which was responsible for the unemployment insurance program. The employment security advisory council has been abolished and its duties have been transferred to the Indiana State Job Training Coordinating Council.

**Benefits.** The definition of dependent was amended to include a person who is less than 23 years old (formerly 18) and is enrolled in and regularly attending a secondary school or who is a full-time student at an accredited college or university.

### Iowa

**Financing.** Beginning in 1988, the taxable wage base will be 66 $\frac{2}{3}$  percent of the statewide average weekly wage multiplied by 52, and rounded to the next higher multiple of \$100. The provision increasing the wage base by \$1,600 for 1986 and subsequent calendar years was repealed. The provision allowing noncharging to former employer(s) of benefits to be paid to an individual who failed without good cause to return to his or her customary self-employment was repealed. Employers (excluding governmental entities and nonprofit organizations) will be required to pay an administrative contribution surcharge equal to 0.1 percent of Federal taxable wages. The surcharge will be deposited in the newly created Administrative Contribu-

tion Surcharge Fund. Money in the fund will be used only for personnel and nonpersonnel costs of rural and satellite job service offices in population centers of less than 20,000. This provision will be repealed July 1, 1990, and thus will not affect contribution rates for calendar year 1991.

The following provisions will apply for calendar year 1988 only. Eight new rate tables have been established based on the relationship of the reserve fund ratio to the highest benefit-cost ratio. The least favorable schedule of rates ranges from 0.0 percent to 9.0 percent (in 1989, it reverts to 0.5 percent to 7.0 percent), and the most favorable schedule ranges from 0.0 percent to 5.4 percent (in 1989, it reverts to 0.0 percent to 4.0 percent). Negative-balance employers are not required to pay the additional 1.0-percent surcharge, which is cumulative from year to year and which is required for other years. The following were suspended: (1) the provision allowing an employer to avoid payment of contributions for a year if the employer's percentage of excess (total employer contributions divided by total benefits charged) is 7.5 percent or greater; and (2) provisions allowing such an employer to qualify for a reduced rate in the year after that in which he or she paid no contributions because of a percentage of excess of 7.5 percent or more. Also suspended were provisions allowing an employer to make voluntary contributions in an amount sufficient to lower his or her rate to that for the next lower percentage-of-excess rank. A new contributing employer who is not in the construction industry will pay contributions at a rate specified at the 12th benefit-ratio rank (0.3 percent to 3.1 percent), but not less than 1.0 percent.

Beginning in 1989, a new nonconstruction contributing employer will pay at the 9th percentage-of-excess rank (0.2 percent to 2.3 percent); but not less than 1.8 percent. A new contributing employer in the construction industry will pay contributions at a rate specified in the 21st benefit-ratio rank (5.4 percent to 9.0 percent) for 1988. Beginning in 1989, a new construction contributing employer will pay at a rate in the 21st benefit-ratio rank (4.0 percent to 7.0 percent), depending on the rate schedule in effect.

**Benefits.** The provision for a 1-week waiting period before benefits are paid was repealed.

### Kansas

**Coverage.** Services performed for less than 14 days in a calendar year by an extra for a motion picture or television production will be excluded from coverage.

**Disqualification.** The between-terms denial of benefits was amended to apply to services performed as driver of a schoolbus or other motor vehicle while employed by a private contractor to transport pupils, students, and school personnel to or from school-related functions or activities for an educational institution. However, an individual will not be disqualified if the services as a bus driver are performed for a nonschool-related function or activity. Also added was a between-terms disqualification based on services for an educational institution in any capacity while in the employ of a governmental entity or nonprofit organization.

### Louisiana

**Coverage.** A new enactment excludes from coverage services performed by an individual as a direct seller, if certain conditions are met.

**Financing.** A new enactment provided for the issuance of State bonds for financing and payment of Federal advances to the State fund, the restructuring and funding of unemployment benefits, and the financing of the State's account in the Federal Unemployment Trust Fund. A special assessment on taxable employers was added to service the bonds. For the period July 1 to December 31, 1987, the special assessment will be 1.4 percent of the first \$7,500 in taxable wages paid to each employee. The taxable wage base was increased from \$7,000 to \$8,500. The provision for the noncharging of benefits paid to an individual who performs services for a temporary help service on an on-call basis and who earns less than \$350 was repealed.

The period needed for an employer to qualify for experience rating was reduced from 3 to 2 years. The contribution rate for new employers will be the average rate for employers in the same 2-digit industrial classification, but not less than 1.0 percent. A solvency tax, not to exceed 30 percent of the employer's contributions for the quarter, will be assessed if the State fund administrator projects that the balance of the fund is expected to fall below \$100 million.

**Benefits.** The weekly benefit amount will be decreased by 7 percent beginning January 4, 1988. This means that the maximum weekly benefit amount will be reduced from \$205 to \$191. The minimum weekly benefit amount will remain \$10.

**Disqualification.** An individual who is discharged for the use of illegal drugs will be disqualified for the duration of unemployment and until he or she is reemployed and earns wages of 10 times the weekly benefit amount.

## Maine

**Coverage.** A new enactment excludes from coverage services performed by a full-time student in the employ of an organized camp, if certain conditions are met.

**Benefits.** Employment with a variety store or trading post which operates for a period of less than 26 weeks per year will be considered seasonal employment.

## Maryland

**Benefits.** The weekly dependency allowance was increased from \$4 to \$6 per dependent, up to four dependents.

**Financing.** An employer's account will not be charged for benefits paid to an individual who left work voluntarily with good cause to enter approved training.

**Administration.** The State Department of Economic and Employment Development was established to administer the unemployment insurance program under the direction of the Secretary of Economic and Employment Development.

## Minnesota

**Financing.** The special taxable wage base of \$8,000 for employers paying the minimum rate of 0.1 percent was repealed. The least favorable schedule, which applies when the fund level is less than \$200 million, calls for a minimum employer contribution rate of 0.8 percent for 1988, 0.7 percent for 1989, and 0.6 percent for 1990. The most favorable schedule calls for a fund level of \$300 million with a minimum employer contribution rate of 0.1 percent. The maximum rate in both schedules will be 8.0 percent in 1988, 8.5 percent in 1989, and 9.0 percent in 1990 and thereafter.

All contributing employers will pay a solvency assessment based on State unemployment insurance trust fund balances. Benefits may be noncharged to the employer if an individual refused an offer of reemployment while in approved training.

**Benefits.** The base period will be the first four of the last five completed calendar quarters. However, if an individual has insufficient wage credits to establish a valid claim, the alternate base period will be the last four completed calendar quarters. The base period may be extended up to four quarters depending on the length of time an individual receives workers' compensation for temporary disability or receives compensation due to an illness from another source. An individual's benefit year will be 53 weeks, beginning with the week a valid claim is filed.

To qualify for benefits, an individual must have (1) wage credits in two or more quarters of the base period; (2) minimum total base-period wage credits equal to wages earned in the high quarter of the base period multiplied by 1.25; (3) high-quarter wage credits of \$1,000; and (4) effective July 1, 1989, base-period wage credits in 15 or more weeks. Previously, the qualifying requirement was at least 15 weeks of employment with wages equal to 30 percent of the State average weekly wage.

To qualify for benefits in a second benefit year, an individual must have earned 10 times the weekly benefit amount. An individual's weekly benefit amount will be computed as  $\frac{1}{26}$  of high-quarter wages. The maximum weekly benefit amount will be computed as a percentage of the State average weekly wage, ranging from 60 percent to 66 $\frac{2}{3}$  percent, depending on the balance in the State fund. An individual's duration of benefits will be determined as  $\frac{1}{3}$  of total base-period wages, up to 26 weeks. The earnings disregarded in computing the weekly benefit amount for partial unemployment have been changed from \$25 to the greater of \$25 or 25 percent of the earnings from work other than service in the National Guard.

To qualify for benefits on the basis of seasonal employment, an individual must have wage credits in 15 or more weeks equal to or in excess of 30 times the weekly benefit amount from nonseasonal work, in addition to any seasonal wage credits. An additional benefits program was added to the State law, whereby claimants may receive up to 6 weeks of additional benefits if they meet certain eligibility conditions.

**Disqualification.** The disqualification for voluntary leaving, discharge for misconduct, and refusal of suitable work has been changed to the duration of unemployment and until the individual has 4 weeks of work and wages equal to eight (previously four) times the weekly benefit amount. An individual will not be disqualified for voluntary leaving or discharge for misconduct if separated from employment due to a collective bargaining agreement under which the individual has vested discretionary authority in another to act on his or her behalf. Holiday pay in excess of \$25 will be disqualifying income. If an individual is awarded backpay, which has been reduced by benefits paid, the amount withheld must be paid by the employer into the State unemployment fund.

**Penalties.** The penalty for an individual's fraudulent misrepresentation to obtain or increase benefits was changed from a misdemeanor to theft. A gross misdemeanor penalty for an individual's fraudu-

lent misrepresentation to prevent or reduce benefit payments will not apply if the underpayment of benefits, contributions, or other payment(s) involved exceeds \$250, in which case the person will be guilty of a felony.

## Missouri

**Benefits.** A temporary worksharing program, under which individuals working shortened schedules to avert layoffs may collect benefits, was established, to expire January 1, 1991.

## Montana

**Coverage.** An individual will be considered an independent contractor if he or she is free from direction and control and is engaged in an independently established trade, occupation, profession, or business.

**Benefits.** To qualify for benefits, an individual's total base-period wages must be equal to or greater than 7 percent of the State average annual wage, in addition to being \$1,000 or more. The requirement that the individual have 20 weeks of work at \$50 a week still applies.

**Disqualification.** The disqualification for failure to apply for or to accept suitable work was changed to a duration disqualification or until the individual earns wages equal to six times the weekly benefit amount. The change also calls for an equal reduction of benefits.

**Administration.** The period during which an individual may appeal a referee decision, or apply for reconsideration of or appeal from an initial claim determination was changed to 10 days after mailing of the notification to the individual's last known address.

**Penalty.** If an individual fraudulently receives benefits, he or she must pay 18-percent interest on the amount fraudulently obtained.

## Nebraska

**Benefits.** The minimum and maximum weekly benefit amounts were increased to \$20 and \$134, respectively. The qualifying wages were doubled to \$1,200 in the base period, of which \$400 must have been earned in each of two quarters. To qualify for benefits in a second benefit year, an individual must earn at least four times the weekly benefit amount.

## Nevada

**Disqualification.** The special disqualification for an individual who voluntarily

leaves work to enter self-employment has been repealed.

## New Hampshire

**Benefits.** The minimum and maximum weekly benefit amounts were increased to \$39 and \$156, respectively. Annual earnings required to qualify for the minimum and maximum weekly benefit amounts were increased to \$2,800 and \$23,500, respectively.

**Disqualification.** The requalifying requirement for purging a disqualification for voluntary leaving, discharge for misconduct, leaving self-employment, or failing to apply for or accept suitable work was amended to require the individual to earn at least 120 percent of the weekly benefit amount in any 5 weeks. The pension offset requirement was amended to provide that no offset will apply if the base-period or chargeable employer does not contribute to the fund from which the retirement payments are made. Also, no offset will apply if an individual contributed 50 percent or more to the retirement pay.

**Administration.** The "sunset" provision reauthorizing the Department of Employment Security was extended to July 1, 1993. The period during which a program-related decision may be appealed to the State supreme court was increased to 30 days.

## New Jersey

**Benefits.** To qualify for benefits in a second benefit year, an individual must earn at least six times the weekly benefit amount and have 4 weeks of employment since the beginning of the preceding benefit year.

## New Mexico

**Financing.** A nonprofit organization electing to reimburse the State fund for benefits paid must execute and file a bond within 30 days of the election.

**Disqualification.** An individual will be considered available for work and actively seeking work if he or she is temporarily laid off for no more than 4 weeks or if he or she has an offer in writing for full-time work that will begin within 4 weeks. Individuals, other than those in approved training, who are attending classes during the hours of 8 a.m. to 6 p.m. are disqualified from benefits. An individual's extended benefit amount and total benefit amount will be reduced by the percentage of the Gramm-Rudman-Hollings reduction in the Federal share of extended benefits.

**Administration.** The name of the second-stage appeals body was changed from the Board of Review to the Secretary of Employment Security.

## New York

**Disqualification.** A disqualification for voluntary leaving for marital obligations will only apply if the separation was due to the claimant's marriage. Previously, the disqualification also applied to individuals who follow a spouse to a new locality.

**Benefits.** New York has established a 3-year demonstration project (expires in 1990) which allows claimants in approved training to receive additional benefits.

## North Carolina

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1993.

**Financing.** A special tax will be imposed on employers if the State reserve fund is less than 1 percent of total taxable wages. The tax will be used for repayment of loans from the Federal trust fund and to pay interest on Federal advances, and will be deposited in the State's Employment Security Commission Reserve Fund. The new-employer contribution rate was decreased to 2.25 percent. Repealed was the additional increase of up to 40 percent of the employer's rate when the fund ratio was less than 5.5 percent.

**Benefits.** The maximum weekly benefit amount will be computed as 63 percent of the average weekly insured wage and, beginning August 1, 1988, as 66½ percent of the average weekly insured wage. Deleted was the requirement that the benefit be calculated as 60 percent of the average weekly wage when the fund ratio falls below 5.5 percent.

## North Dakota

**Financing.** The standard rate of contributions will be the maximum rate in effect for a year. New employers will pay 3.25 percent, except that new employers in an industry with a negative reserve balance will pay the maximum rate.

**Benefits.** The weekly benefit amount will be computed at  $\frac{1}{65}$  of total wages in the two highest quarters of the base period and one-half of the total wages during the third highest quarter. The maximum weekly benefit amount will be computed as 60 percent (currently 67 percent) of the State average weekly wage.

However, if, on October 1, 1989, or any succeeding October 1, the trust fund re-

serve is equal to or greater than the required amount, then, as of July 1 of the next year, the maximum weekly benefit amount will be computed as 62 percent of the State average weekly wage. If, on October 1, 1989, or any succeeding October 1, the trust fund reserve is equal to or greater than the required amount and the State's average contribution rate is below the nationwide average for the preceding calendar year, the maximum weekly benefit amount will be computed as 65 percent of the average weekly wage. The ratio of base-period wages to high-quarter wages used for determining the duration of benefits was changed to 1.5 to 3.2 or more. The extended benefit weekly benefit amount and total benefit amount will be decreased to reflect any Gramm-Rudman-Hollings reduction. The minimum weekly benefit amount is \$43, and the provision for the annual automatic computation of the minimum weekly benefit amount is deleted.

**Disqualification.** An individual will not be disqualified for voluntary leaving if he or she left the most recent employment upon a physician's advice because of an injury or illness caused or aggravated by the employment. If an individual leaves employment in anticipation of a discharge or layoff, the individual will be considered to have left employment voluntarily without good cause attributable to the employer.

## Ohio

**Financing.** The \$8,000 taxable wage base was made permanent. The range of rates for the least favorable schedule will be 0.1 percent to 5.4 percent. In addition to the computed rate based on the employer's experience, his or her contribution rate will be increased by 0.2 percent if the State fund falls below minimum safe levels. The special 0.5-percent tax on employers used to repay outstanding interest-bearing advances from the Federal Government was deleted.

**Benefits.** Ohio extended until October 1, 1988, the qualifying requirement of 20 weeks of work at 37 times the State minimum hourly wage. An individual will not be paid benefits for a waiting week.

**Disqualification.** Until October 1, 1988, a duration disqualification may be purged by 6 weeks of work and earnings of six times the amount required to establish a credit week. Beginning October 1, 1988, a duration disqualification may be purged by 6 weeks of work and earnings at an average weekly wage of not less than 37 times the State minimum hourly wage.

## Oklahoma

**Financing.** The limitation on a rate increase for employers with rates of 3.4 percent or more will be 2 percent in any year. For employers with rates below 3.4 percent, the rate may not be increased to more than 5.4 percent in any year.

**Disqualification.** The length of the disqualification for refusal of suitable work was changed from the week of occurrence to a period of reemployment with earnings equal to 10 times the weekly benefit amount. However, an individual who refuses an offer of work due to illness, death of a family member, or other circumstances beyond his or her control will be disqualified only for the week of occurrence.

## Oregon

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1993. The "age 22" limitation for the exclusion from coverage of services performed by students in a work-study program was deleted; therefore, such services are excluded, regardless of the individual's age. A new enactment excludes from coverage services performed by a full-time student in the employ of an organized camp, if certain conditions are met.

**Benefits.** The temporary State additional benefits program which was due to expire on June 27, 1987, has been extended until July 1, 1989. The pension offset provision was amended to provide that no offset will apply if an individual receives Social Security pension benefits to which he or she has contributed.

## Rhode Island

**Financing.** The fund balance requirements for the most favorable schedule have been reduced to 11.5 percent (previously 14 percent) of payrolls, and for the least favorable schedule to less than 5.0 percent (previously 6.5 percent) of payrolls.

**Benefits.** The computation of the weekly benefit amount was changed to 60 percent of the claimant's average weekly wage, up to 67 percent of the State average weekly wage. The weekly dependents' allowance was increased to \$10 per dependent or 5 percent of the individual's benefit rate for each dependent, up to five dependents.

## South Dakota

**Financing.** Benefits paid to an individual taking approved training will not be charged to the liable employer's account. The contribution rate for the most favorable

schedule will range from 0.05 percent to 8.25 percent. New employers will pay a contribution rate of 2.75 percent for the first year and 1.95 percent for subsequent years until they qualify for experience rating.

**Benefits.** The maximum weekly benefit amount will increase from \$129 to \$140. If the amount of extended benefits reimbursed by the Federal Government is reduced or increased, the State's share of the weekly extended benefit amount will be reduced or increased on an equal basis.

**Disqualification.** An individual will be considered to have good cause for leaving if employment presents a hazard to his or her health and if it has been medically advised and certified by a practitioner that continued employment presents a health hazard.

## Tennessee

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1993. Also excluded from coverage are services performed by real estate agents, direct sellers, full-time students in the employ of organized camps, and individuals on fishing boats, if certain conditions are met.

**Benefits.** The maximum weekly benefit amount was increased from \$130 to \$145.

**Disqualification.** A disqualification for participation in a labor dispute will be for the duration of the dispute. However, lock-outs are excluded from the labor dispute disqualification.

## Texas

**Coverage.** A new enactment excludes from coverage services performed by a full-time student in the employ of an organized camp, if certain conditions are met.

**Financing.** The taxable wage base was increased to \$8,000 for 1988 and will increase to \$9,000 in 1989. The Texas Employment Commission is authorized to issue bonds and to levy a surtax on employers of no more than 0.2 percent to fund interest payments due for any indebtedness.

**Benefits.** The maximum weekly benefit amount will be frozen at \$210 until October 1, 1989. To qualify for benefits, an individual must earn 37 times the weekly benefit amount and have wage credits in two quarters of the base period. To qualify for benefits in a second benefit year, an individual must have earned wages of six times the weekly benefit amount.

**Administration.** The period for appealing an appeal tribunal decision was increased to 14 days after the mailing of the determination to the concerned party.

## Utah

**Financing.** Beginning January 1, 1988, the taxable wage base will be computed as 75 percent of the insured average wage for the fiscal year. The standard rate of contributions will be the average overall contribution rate and, for new employers, it will be the maximum overall contribution rate. An employer's account will not be charged for benefits paid to a worker who was discharged for nonperformance due to medical reasons.

**Benefits.** Beginning January 3, 1988, the base-period wages needed to qualify for benefits will be 8 percent of the insured average wage for the preceding fiscal year, rounded to the next higher multiple of \$100. The maximum weekly benefit amount will be 60 percent of the insured average weekly wage during the preceding fiscal year.

**Penalties.** No benefits will be paid until an earlier overpayment resulting from misrepresentation is repaid. In cases of fraud, the claimant will be required to repay benefits and, as a civil penalty, an amount equal to the benefits received fraudulently.

## Vermont

**Coverage.** A new enactment excludes from coverage services performed by a full-time student in the employ of an organized camp, if certain conditions are met. Vermont provides for automatic coverage of aliens performing agricultural labor if the Federal Unemployment Tax Act is amended to provide for such coverage.

**Financing.** New employers will pay contributions at the lower of the average industry tax rate or the percent represented by rate class 11 (2.6 percent to 4.8 percent, depending on the rate schedule in effect), but not less than 1.0 percent.

## Virginia

**Coverage.** The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1993. Also excluded from coverage are services performed by a full-time student in the employ of an organized camp and by an individual on a fishing boat, if certain conditions are met.

**Financing.** The minimum contribution rate for the most favorable schedule was

reduced to 0.0 percent, and for the least favorable schedule, to 0.53 percent.

**Disqualification.** The pension offset provision was amended to provide that the offset will apply to pension payments made under a plan maintained or contributed to by a base-period or chargeable employer.

## Washington

**Financing.** The contribution rates under the most favorable schedule will range from 0.48 percent to 5.4 percent, and for the least favorable schedule, from 2.48 percent to 5.4 percent.

**Benefits.** The base period may be defined as the last four quarters if the first four out of the last five quarters are not used.

**Administration.** The period during which one may appeal a benefit determination to the appeal tribunal and to the State commissioner was increased from 10 to 30 days.

## West Virginia

**Coverage.** Any services performed by a student enrolled at a nonprofit or public school in a work-study program will be excluded from coverage. Also, the exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1988.

**Financing.** If the State commissioner determines that regular employer contributions will be insufficient to finance the payment of benefits during the quarter, both employers and employees will pay an assessment not to exceed 0.15 percent of the employee's gross wages. Bonds or notes may be issued in amounts sufficient to provide money to repay Federal advances to the State fund.

**Benefits.** The definition of wages was amended to include tips totaling \$20 or more each month, which are required to be reported to the employer.

**Disqualification.** If a discharged employee is reinstated and receives backpay, the individual will be required to repay benefits received during the time for which backpay is received. Also, if an individual receives unemployment benefits and an award of backpay for the same period, the employer must withhold backpay in an amount equal to the unemployment benefits, and repay the amount to the unemployment trust fund.

## Wisconsin

**Coverage.** The requirement for automatic coverage of work not previously covered by the State of Wisconsin if subject to the Federal Unemployment Tax Act was deleted.

**Financing.** For 1988, the State department may assess a tax to pay all interest due on Federal advances to the State fund for calendar years 1988 and 1989. The rates for the least and most favorable schedules will range from 0.27 percent to 8.90 percent. Also, solvency contributions by employers will range from 0.0 to 0.9 percent, depending on the State's basic rate and total payrolls. Beginning April 2, 1989, benefits will be charged proportionately to base-period employers.

**Benefits.** The following will be effective January 1, 1988: The minimum and maximum weekly benefit amounts will increase to \$38 and \$200, respectively. The qualifying requirement will be 17 weeks of employment in the base period. For benefit purposes, each employer will be required to file a quarterly wage report on each employee.

The following will be effective April 2, 1989: To be eligible for benefits, an individual must have base-period wages of 40 times the weekly benefit amount, including combined wages outside the high quarter of at least 13 times the weekly benefit amount. The base period will be the first four of the last five completed calendar quarters preceding the benefit year. The benefit year may be extended to 53 weeks for an individual who files consecutive claims. Services performed by an individual for a seasonal employer engaged in canning will be excluded if the individual earns less than 40 times the weekly benefit amount, unless the individual earned wages of \$200 in other covered employment in the four most recent calendar quarters preceding the seasonal employment. An individual's weekly benefit amount will be computed as 4 percent of base-period wages in the high quarter. The maximum number of weeks an individual may receive benefits is the lesser of 26 weeks or until the individual has received an amount equal to 40 percent of his or her base-period wages.

**Disqualification.** Ineligibility due to inability to work or unavailability for work no longer depends strictly on physical inability or substantial unavailability. An individual will not be disqualified for volun-

tary leaving if he or she accepted work which should have been refused because of labor standards provisions and terminated the work within 10 weeks.

The following will become effective April 2, 1989: The duration disqualifications for voluntary leaving, discharge for misconduct, and refusal of suitable work will apply until 7 weeks have elapsed since the end of the week of occurrence and the individual has earned wages equal to at least 14 times the weekly benefit amount. The disqualification for a disciplinary suspension will apply until 5 weeks have elapsed since the end of the week of suspension or until the suspension is terminated. A monetary requirement will be added to the good-cause exception for voluntary leaving when accepting other work, to require an individual to earn wages equal to eight times the weekly benefit amount. An individual in a licensed occupation will be ineligible for benefits if suspended or terminated because the license was suspended, revoked, or not renewed. The ineligibility will apply until the license is reinstated or renewed. Also, the individual will not be eligible for benefits based on employment with other employers until 5 weeks have elapsed since the week of suspension or termination or until the license is reinstated or renewed. In addition, all wages earned with the employer that discharged or suspended the employee are excluded when determining future benefits to which the employee is entitled while the suspension, revocation, or nonrenewal of the license is in effect.

## Wyoming

**Financing.** For the period July 1, 1987, through January 1, 1989, State interfund borrowing of up to \$20 million for the payment of benefits or to repay Federal advances is authorized when the trust fund is certified inadequate. An employer's account will not be charged with benefits paid as a result of a major disaster if the benefit recipient would otherwise have been eligible for disaster benefits.

**Benefits.** The benefit year was redefined as the 52-consecutive-calendar-week period beginning with the first week of filing a valid claim, or the 53-consecutive-week period beginning the first week if filing a valid claim results in the overlapping of a quarter in the base period of a previously filed claim. Previously, the benefit year was the 1-year period beginning the first day of filing a valid claim. □