

# Trends in Unemployment Insurance Coverage and Benefit Legislation

by RUTH RETICKER \*

*In the Federal-State system of unemployment insurance, coverage, benefits, and disqualifications are determined by State law. No two State laws are identical in any of these fields, and they are becoming increasingly divergent. This article summarizes the more significant changes made in the 1949 legislatures and the resulting statutory provisions. It illustrates the diversity of State laws in terms of the benefit rights, State by State, of five hypothetical claimants.*

EACH of the 46 State legislatures in session in 1949 debated one or more employment security bills. In all, they considered more than 1,000 separate bills to amend their unemployment insurance laws. In a few States all 1949 unemployment insurance legislation failed, but almost 200 such bills were enacted by 42 State legislatures. This article summarizes the more important amendments that affect the beneficiaries of the program. The amendments to experience-rating provisions, which affect subject employers, have been summarized in a recent *Bulletin* article.<sup>1</sup>

## Coverage

Though there was very little 1949 legislation on coverage, the trend was toward restricted rather than extended coverage.

*Size-of-firm requirements.*—The only change in size-of-firm provisions was in Oregon, which substituted four or more employees in 6 weeks in a calendar quarter for four or more at any time.

There remain 21 States with size-of-firm coverage equal to that of the Federal act (eight or more employees in 20 weeks) and one that requires eight or more in 15 weeks. The other

29 States cover employees in firms with one, three, four, or six workers; in 17 of these States coverage is "one or more."<sup>2</sup>

*Employer-employee relationship.*—Three States reduced coverage by stricter requirements in terms of employer-employee relationship. Idaho and North Carolina limited coverage to employees under a master-servant relationship. Pennsylvania weakened the tests for determining the absence of control of an employer over a worker so that he would be classed as an independent contractor rather than an employee by deleting the requirement that the service must be outside the usual course of the business for which it is performed.<sup>3</sup>

*Type of employment.*—Tennessee dropped mandatory coverage of non-profit employees, leaving only Hawaii with such a provision. Nevada excluded services for a college fraternity or sorority; Arkansas excluded real estate agents; and Idaho, insurance agents.

The trend was different in government employment. Texas added coverage of services performed for the State, its political subdivisions and instrumentalities. California added coverage of employees of public hous-

ing administration agencies whether operated by the State or local governmental units. Another California amendment permits election of services performed for the State and its political subdivisions and instrumentalities, by employees other than those in civil service or permanent positions if a majority consent to coverage.

Massachusetts included services on all American vessels with an operating office in the State, continuing the exclusion of services as a member of the crew of fishing vessels of 10 net tons or less. Utah also removed the exclusion of maritime services that are subject to the Federal Unemployment Tax Act. Forty-four States now have taken advantage of the opportunity, afforded when private maritime employment was included under the Federal act in 1946, for covering such employment under their State laws. These States include all the States with maritime employment in coastal, Great Lake, or river service.

Tennessee and Utah added to their definition of employment "services covered by the Federal Unemployment Tax Act," bringing to 24 the States with a provision enabling them to cover employment now excluded from the Federal and State laws if the Federal coverage is broadened.

## Benefits

The recent upward trend in benefit amounts continued. The gap between benefits and wages and between benefits and cost of living had been widening for some years. In 1949, 30 State legislatures took action to bridge those gaps. Nine States enacted amendments to increase their minimum weekly benefit amount, and 24 States, to increase their maximum weekly benefits. Six increased weekly benefits by adding dependents' allowances, and two liberalized their dependents' allowance provisions. Thirteen States increased the maximum

\*Chief, Division of Legislation and Reference, Unemployment Insurance Service, Bureau of Employment Security, Department of Labor.

<sup>1</sup>Rachel S. Gallagher, "Trends in Unemployment Insurance Financing," October 1949, pp. 3-9. For summary of present experience-rating provisions, see also *Comparison of State Unemployment Insurance Laws as of September 1949*, pp. 15-35.

<sup>2</sup>For details on coverage provisions State by State, see the *Comparison of State Unemployment Insurance Laws*, op. cit., chapter I.

<sup>3</sup>The other usual tests, retained in Pennsylvania, are that the worker is free from control of the performance of his work under his contract of service and in fact and that he is customarily engaged in an independent trade or business.

potential weeks of benefits.<sup>4</sup>

In these amendments, the States made no fundamental changes in the benefit formula. No State changed the type of benefit formula; 41 States still use high-quarter formulas, eight have annual-wage formulas, and two, average-weekly-wage formulas. No State changed from uniform potential duration to variable duration or vice versa; there remain 15 States with uniform potential duration. The changes are connected with benefit procedures or with the arithmetic of benefit computation. In changing from quarterly wage reporting to request wage reporting, Utah changed from a uniform to an individual base period and benefit year, and Nebraska reduced the lag between the base period and benefit year. Connecticut, however, restored the 1 to 2-quarter lag which had been eliminated in 1947 amendments. No State changed the length of the base period. Fifty States use a 4-quarter period and Missouri, 8 quarters.

The changes in arithmetic were mainly in minimum and maximum amounts. Only Iowa and Ohio increased the high-quarter fraction, liberalizing benefits at all wage levels. Iowa changed from a 1/26 to 1/20 fraction. Ohio adopted a more liberal weighted schedule yielding 1/17 to 1/24 of high-quarter wages instead of 1/20-1/28, and added dependents' allowances as well. Arkansas adopted a weighted formula yielding 1/20-1/26 of high-quarter wages instead of 1/24 at all levels. Nevada decreased the high-quarter fraction while increasing dependents' allowances. Revision

<sup>4</sup>Most but not all of the 1949 amendments were effective by the end of the year. The last to go into effect will be the Illinois provisions for maximum weekly benefit, maximum potential benefits and qualifying wages, effective for the uniform benefit year beginning April 1950. In 15 States (Alaska, Arkansas, Connecticut, Delaware, Iowa, Kansas, Minnesota, Nevada, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia, Wyoming), certain amendments apply only to benefit years beginning after the effective dates (Mar. 5, 1949, to Jan. 1, 1950) and in Wisconsin to benefit determinations after May 22, 1949. The formulas summarized in tables 1, 4, and 5 will not apply to all weeks of unemployment until benefit years in progress on the effective date have expired, which will not be until September 30, 1950, in Texas and December 31, 1950, in Wyoming.

of the annual-wage formulas—minimum amounts, maximum amounts, maximum duration, and qualifying wages—resulted generally in weekly benefits which are lower percentages of annual wages in Maine, Minnesota, North Carolina, Oregon, and Washington. New Hampshire, however, liberalized its annual-wage formula at all levels.

*Minimum weekly benefits.*—Only 10 States changed their minimum weekly benefit amounts in the 1949 legislative sessions. Nine increased such amounts by \$1 to \$5; and Maine, which had a minimum of \$6.75 when all rates were raised 12½ percent by regulation in 1948, eliminated the statutory authorization for increases by regulation while increasing the statutory maximum. The changes are summarized below.

| State               | Minimum weekly benefit amount |                 |
|---------------------|-------------------------------|-----------------|
|                     | 1949 amendment                | Prior provision |
| Arkansas.....       | \$7.00                        | \$5.00          |
| Colorado.....       | 7.00                          | 6.00            |
| Maine.....          | 6.00                          | 6.75            |
| Minnesota.....      | 10.00                         | 7.00            |
| Nebraska.....       | 6.00                          | 5.00            |
| North Carolina..... | 6.00                          | 4.00            |
| Ohio.....           | 10.00                         | 5.00            |
| Oregon.....         | 15.00                         | 10.00           |
| Texas.....          | 7.00                          | 5.00            |
| Wisconsin.....      | 9.00                          | 8.00            |

With these changes, minimum basic weekly benefits vary from 50 cents in Missouri to \$15 in Oregon (table 1). The median minimum benefit is now \$7. Only four States, with 6 percent of the covered workers, have minimums under \$5; in 12 States, with 12 percent of the covered workers, the minimum rate is \$5, once the most popular minimum; 11 States, with 17 percent of covered workers, have a minimum of \$6; eight, with 39 percent of covered workers, have \$10; and 15, with 26 percent of the workers, have between \$6 and \$10. With maximum dependents' allowances payable to claimants receiving the minimum basic benefit, augmented benefits in 11 States vary from \$7 to \$15; in six of these States, from \$11 to \$15.

*Maximum weekly benefit.*—Twenty-four States increased the basic maximum weekly benefit amount by \$2 to \$9, and seven increased maximum weekly benefits by adding or increas-

ing dependents' allowances. Altogether, 28 States liberalized maximum weekly benefits, as indicated in table 2.

With these amendments, only two States have maximum basic weekly benefits under \$20 (Florida \$15, and Georgia \$18). In 17 States the maximum weekly benefit amount is \$20 (table 1); in seven States, \$22 to \$24; in 22 States, \$25; in two States, \$26; and in Kansas, where the maximum is one-half the average wage in covered employment, \$27. The median State has a \$24 maximum. However, less than 3 percent of all covered workers are in States with maximums less than \$20, and 79 percent are in States with basic maximums of more than \$20—49 percent in States with \$25 maximums and 16 percent in States with maximums of more than \$25.

In the District of Columbia, maximum weekly benefits are \$20 with or without dependents' allowances. In the other 10 States with dependents' allowances, maximum weekly benefits are increased from a range of \$20 to \$25 to a range of \$26 to \$40 and in Massachusetts to a practically unlimited amount (up to the amount of the individual's average weekly wage).

*Duration of benefits.*—Only three States changed their formula for computing duration of benefits. Arkansas simplified its formula by eliminating the allowance of four times the weekly benefit for each base-period quarter in which wages were at least ½ of high-quarter wages; it retains the ½ of base-period wage credits and not more than 16 times the weekly benefit amount. Ohio substituted a fraction of base-period wages for its schedule in terms of weeks of employment (18 weeks of benefits for 20 weeks of employment; 19 weeks, for 21-24 weeks of employment; and 22 weeks, for more than 24 weeks of employment). Its allowance of benefits equal to ⅔ of base-period wages (up to 26 weeks) is the most liberal fraction in any of the States (table 4). Wisconsin increased its allowance of weeks of benefits per week of employment from ⅔ to ⅔. The doubling of the Washington minimum qualifying amount resulted in a considerable reduction in the percentage of base-period wages available as benefits. By

removing the joint limitation on duration for unemployment insurance and disability insurance (1½ times the maximum duration for either risk separately) the California Legislature increased potential duration of unemployment benefits for some claimants who draw benefits under both programs in a benefit year.

Thirteen States increased the maximum weeks of benefits for total unemployment payable under the State law, and Massachusetts increased the weeks payable to claimants with dependents, as detailed later. The changes in the 13 States are summarized below.

| State                | Maximum weeks of benefits |                 |
|----------------------|---------------------------|-----------------|
|                      | 1949 amendment            | Prior provision |
| Connecticut .....    | 26                        | 22              |
| Delaware .....       | 26                        | 22              |
| Minnesota .....      | 25                        | 20              |
| Montana .....        | 18                        | 16              |
| Nebraska .....       | 20                        | 18              |
| Nevada .....         | 26                        | 20              |
| North Carolina ..... | 20                        | 16              |
| Ohio .....           | 26                        | 22              |
| Oklahoma .....       | 22                        | 20              |
| Oregon .....         | 26                        | 20              |
| Texas .....          | 24                        | 18              |
| West Virginia .....  | 23                        | 21              |
| Wisconsin .....      | 26½                       | 24              |

With these changes, maximum potential duration varies from 12 to 26½ weeks of benefits for total unemployment in the various laws (table 4). In 15 States, with one-fourth of the covered workers, potential duration of 12 to 26 weeks is uniform for all eligible claimants (table 5). In the other 36 States, maximum potential duration depends on base-period wages in excess of the amount necessary to qualify for minimum benefits. The maximums vary from 16 to 26½ weeks of benefits for total unemployment. The largest number of States, and the median State, have 20 weeks.

Only eight States, however, with 7 percent of the covered workers, have a maximum duration of less than 20 weeks, and the 21 States with a maximum of 20 weeks have only 17 percent of covered workers. Nine States, with 28 percent of covered workers, have a maximum of 21–25 weeks; and 13 States, with 48 percent of covered workers, have maximums of 26 or 26½ weeks.

Table 6, giving the number of States by maximum number of weeks of benefits and maximum weekly benefit amounts, shows the general tendency of the State formulas to be liberal in both respects if liberal in one.

In most States, claimants at all benefit levels may be eligible for maximum weeks of benefits. However, in 11 States the maximum weeks are attainable only by claimants in the higher benefit brackets; in 10 of these, only by claimants eligible for the maximum weekly benefit. This list includes three States with annual-wage formulas (Minnesota, Oregon, and Washington); three with weighted schedules (Illinois, Rhode Island, and Utah); and five with ¼ or ½ duration fractions (Connecticut, Delaware, Maryland, Texas, and Wyoming). In the latter two groups, only claimants who have base-period wages aggregating more than four times the minimum high-quarter wages required for the maximum weekly benefit can receive the maximum weeks of benefits.

*Maximum potential benefits in a benefit year.*—The increases in maximum weekly benefit and/or maximum weeks of benefits and the addition or increase of dependents' allowances resulted in increases in maximum annual benefits in 29 States, as shown in table 7.

Maximum basic benefits now vary from \$240 in Arizona and Florida to \$689 in Wisconsin; they are \$500 in the median State (table 4). Only eight States, with 7 percent of the covered population, provide less than \$400; 16 States, with 22 percent of the covered population, are in the \$400–\$500 bracket; 12 States, with 16 percent of the covered population, are in the \$500–\$600 bracket; and 15 States, with 55 percent of the covered population, afford maximum annual benefits of \$600–700 (chart). Maximum augmented benefits vary from \$312 in Arizona to \$936 in Connecticut, and more in Massachusetts (table 8).

*Qualifying wages.*—All the States that increased the minimum weekly benefit amount increased minimum qualifying wages, usually by increasing the flat qualifying amount<sup>6</sup> or by

applying the qualifying multiple of the weekly benefit (table 1) to the higher minimum amount.<sup>6</sup> Ohio changed from 20 weeks of employment and base-period wages of at least \$160 to 14 weeks and \$240. Wisconsin retained 14 weeks of employment but increased from \$10 to \$12 the average weekly wage required for minimum benefits.

Illinois, Utah, and Washington also raised the minimum qualifying wages, from \$225 to \$300, \$294 to \$352, and \$300 to \$600, respectively; each increased slightly the maximum potential benefits in a benefit year for the claimant who barely qualifies for benefits, without increasing the minimum weekly benefit amount. Utah changed the form of its requirement by substituting 19 weeks of employment of 16 hours or 2 full working days for its requirement of 150 percent of high-quarter wages and increased its requirement in terms of average State wages from 14 to 16 percent. Maryland was the only State to reduce qualifying wages, changing the requirement to 30, instead of 40, times the weekly benefit amount.

Generally, States that increased the maximum weekly benefit and/or maximum weeks of benefits increased the high-quarter and/or base-period wages required for the higher benefits. The qualifying wages for maximum weekly benefits and maximum weeks of benefits (table 4) now vary more widely than the amount of the benefits. The variations are related more to the type of formula than to the amount of benefits. The eight annual-wage formulas require \$1,755 to \$2,950 base-period wages (five of them requiring \$2,500 or more) for maximum weekly benefits and maximum duration. Of the States with high-quarter-wage formulas or average-weekly-wage formulas and variable duration, eight<sup>7</sup> require wages in excess of \$2,000 (table 4). Maryland is the only State to require qualifying wages in excess of the maximum taxable wages; to obtain maximum weekly benefits, maximum dependents' allowances, and maximum weeks of benefits for total unemploy-

<sup>6</sup> Arkansas and Colorado.

<sup>7</sup> Connecticut, Delaware, Maryland, Pennsylvania, Rhode Island, Texas, Utah, Wisconsin.

<sup>8</sup> Minnesota, Nebraska, North Carolina, Oregon, Texas.

**Table 1.—Benefit provisions for total unemployment in State laws as of December 1949**

| State                               | Fraction or percentage of wages specified <sup>1</sup> | Minimum weekly benefit <sup>2</sup> | Maximum weekly benefit <sup>2</sup> | Qualifying formula <sup>3</sup>                       | Wage credits required <sup>4</sup> |             |              |             |
|-------------------------------------|--|-------------------------------------|-------------------------------------|---|------------------------------------|-------------|--------------|-------------|
|                                     |  |                                     |                                     |   | For minimum                        |             | For maximum  |             |
|                                     |  |                                     |                                     |   | High quarter                       | Base period | High quarter | Base period |
| <b>High-quarter wage formula:</b>   |  |                                     |                                     |   |                                    |             |              |             |
| Ala.                                | 1/26   | \$4.00                              | \$20.00                             | 30 x wba  | \$75.01                            | \$120.00    | \$307.01     | \$600.00    |
| Alaska                              | 1/20+d.a.  | 8.00-10.00                          | 25.00-40.00                         | Flat  | 37.50                              | 150.00      | 480.01       | 480.01      |
| Ark.                                | 1/20+d.a.  | 5.00-7.00                           | 20.00-26.00                         | 30 x wba <sup>5</sup>                                 | 37.50                              | 150.00      | 380.01       | 600.00      |
| Calif.                              | 1/20-1/26  | 7.00                                | 22.00                               | 30 x wba  | 52.50                              | 210.00      | 572.00       | 660.00      |
| Colo.                               | 1/20-1/23  | 10.00                               | 25.00                               | 30 x wba <sup>6</sup>                                 | 75.00                              | 300.00      | 580.00       | 750.00      |
| Conn.                               | 1/25   | 7.00                                | 22.75                               | 30 x wba  | 52.50                              | 210.00      | 562.51       | 682.50      |
| Del.                                | 1/20+d.a.  | 8.00-11.00                          | 24.00-36.00                         | Flat <sup>7</sup>                                     | 60.00                              | 240.00      | 611.00       | 611.00      |
| D. C.                               | 1/25   | 7.00                                | 25.00                               | 30 x wba  | 52.50                              | 210.00      | 612.51       | 750.00      |
| Fla.                                | 1/23+d.a.  | 6.00-7.00                           | 20.00-24.00                         | 25 x wba to \$250.                                    | 37.50                              | 150.00      | 437.01       | 437.01      |
| Ga.                                 | 1/18-1/24  | 5.00                                | 15.00                               | 30 x wba <sup>8</sup>                                 | 37.50                              | 150.00      | 345.01       | 450.00      |
| Hawaii                              | 1/23-1/26  | 4.00                                | 18.00                               | 25, 30, 40, x wba <sup>3,5</sup>                      | 48.00                              | 100.00      | 455.01       | 720.00      |
| Idaho                               | 1/25   | 5.00                                | 25.00                               | 30 x wba  | 37.50                              | 150.00      | 600.01       | 750.00      |
| Ill.                                | 1/19-1/24  | 10.00                               | 20.00                               | 25-37 x wba <sup>9</sup>                              | 150.00                             | 250.00      | 475.01       | 745.00      |
| Ind.                                | 1/20   | 10.00                               | 25.00                               | Flat+   | 75.00                              | 300.00      | 490.01       | 490.01      |
| Iowa                                | 1/25   | 5.00                                | 20.00                               | Flat <sup>3</sup>                                     | 75.00                              | 250.00      | 475.01       | 475.01      |
| Kans.                               | 1/20   | 5.00                                | 22.50                               | 20 x wba  | 25.00                              | 100.00      | 450.00       | 450.00      |
| La.                                 | 1/25   | 5.00                                | 25.00                               | Flat <sup>3</sup>                                     | 25.00                              | 100.00      | 600.01       | 600.01      |
| Md.                                 | 1/20   | 5.00                                | 25.00                               | 30 x wba  | 37.50                              | 150.00      | 480.01       | 750.00      |
| Mass.                               | 1/20+d.a.  | 6.00-8.00                           | 25.00-33.00                         | 30 x wba  | 156.00                             | 180.00      | 637.00       | 750.00      |
| Miss.                               | 1/20+d.a.  | 6.00-8.00                           | 25.00-30.00                         | Flat  | 37.50                              | 150.00      | 480.00       | 480.00      |
| Mo.                                 | 1/26   | 3.00                                | 20.00                               | 30 x wba <sup>5</sup>                                 | 22.50                              | 90.00       | 494.01       | 600.00      |
| Mont.                               | 1/25   | 3.50                                | 20.00                               | 40 x wba <sup>5</sup>                                 | 2.50                               | 20.00       | 487.51       | 800.00      |
| Nebr.                               | 1/22   | 7.00                                | 20.00                               | 30 x wba  | 52.50                              | 210.00      | 422.23       | 600.00      |
| Nev.                                | 1/25   | 6.00                                | 20.00                               | Flat  | 75.00                              | 300.00      | 450.01       | 450.01      |
| N. J.                               | 1/25+d.a.  | 8.00-11.00                          | 25.00-37.00                         | 30 x wba <sup>5</sup>                                 | 60.00                              | 240.00      | 600.01       | 750.00      |
| N. Mex.                             | 1/22   | 9.00                                | 22.00                               | 30 x wba  | 67.50                              | 270.00      | 462.01       | 660.00      |
| N. Y.                               | 1/26   | 5.00                                | 20.00                               | 30 x wba  | 78.00                              | 150.00      | 494.01       | 600.00      |
| N. Dak.                             | 1/23   | 10.00                               | 26.00                               | 30 x wba  | 100.00                             | 300.00      | 586.00       | 780.00      |
| Ohio                                | 1/23+d.a.  | 5.00-7.00                           | 20.00-26.00                         | 28 x wba  | 35.00                              | 140.00      | 437.01       | 560.00      |
| Okla.                               | 1/17-1/24+d.a.   | 10.00-12.50                         | 25.00-30.00                         | 14 weeks  | 80.00                              | 240.00      | 581.00       | 581.00      |
| Pa.                                 | 1/20   | 6.00                                | 22.00                               | 20 x wba  | 30.00                              | 120.00      | 420.01       | 420.01      |
| R. I.                               | 1/25   | 8.00                                | 25.00                               | 30 x wba  | 60.00                              | 240.00      | 613.00       | 750.00      |
| S. C.                               | 1/20   | 10.00                               | 25.00                               | Flat  | 25.00                              | 100.00      | 490.00       | 490.00      |
| S. Dak.                             | 1/20   | 5.00                                | 20.00                               | 30 x wba <sup>5</sup>                                 | 100.00                             | 150.00      | 400.00       | 600.00      |
| Tenn.                               | 1/20-1/23  | 6.00                                | 20.00                               | Flat  | 60.00                              | 125.00      | 450.00       | 450.00      |
| Tex.                                | 1/21-1/26  | 5.00                                | 20.00                               | 25, 30 x wba <sup>9</sup>                             | 50.00                              | 125.00      | 494.01       | 600.00      |
| Utah <sup>10</sup>                  | 1/20 plus cost-of-living allowances.                   | 5.00-7.00                           | 17.00-25.00                         | Flat <sup>3</sup>                                     | 50.00                              | 200.00      | 494.01       | 494.01      |
| Vt.                                 | 1/20   | 6.00                                | 25.00                               | 19 weeks <sup>11</sup> and 16% of average State wage. | 88.00                              | 352.00      | 380.00       | 555.38      |
| Va.                                 | 1/25   | 6.00                                | 25.00                               | 30 x wba  | 50.00                              | 180.00      | 650.00       | 750.00      |
| Wyo.                                | 1/20+d.a.  | 7.00-10.00                          | 25.00-31.00                         | 20, 25 x wba <sup>9</sup>                             | 25.00                              | 100.00      | 475.01       | 500.00      |
| <b>Annual-wage formula:</b>         |  |                                     |                                     |   |                                    |             |              |             |
| Ky.                                 | 2.3-1.1%   | 7.00                                | 20.00                               | 25 x wba  | 70.00                              | 175.00      | 480.00       | 625.00      |
| Maine                               | 2.0-0.85   | 6.00                                | 25.00                               | Schedule  |                                    | 300.00      |              | 1,755.00    |
| Minn.                               | 3.3-0.91   | 10.00                               | 25.00                               | Schedule  |                                    | 300.00      |              | 2,950.00    |
| N. H.                               | 3.0-1.25   | 6.00                                | 25.00                               | Schedule  |                                    | 300.00      |              | 2,750.00    |
| N. C.                               | 3.0-1.0  | 6.00                                | 25.00                               | Schedule  |                                    | 200.00      |              | 2,000.00    |
| Oreg.                               | 3.75-0.96  | 15.00                               | 25.00                               | Schedule  |                                    | 262.00      |              | 2,500.00    |
| Wash.                               | 1.7-1.2  | 10.00                               | 25.00                               | Schedule  |                                    | 400.00      |              | 2,600.00    |
| W. Va.                              | 2.7-1.0  | 8.00                                | 25.00                               | Schedule  |                                    | 600.00      |              | 2,100.00    |
| <b>Average-weekly-wage formula:</b> |  |                                     |                                     |   |                                    |             |              |             |
| Mich.                               | 67-64%+d.a.  | 6.00-7.00                           | 24.00-32.00                         | 14 weeks <sup>11</sup>                                |                                    | 12112.14    |              | 12 588.14   |
| Wis.                                | 68-51  | 9.00                                | 26.00                               | 14 weeks <sup>11</sup>                                |                                    | 12168.00    |              | 12 700.14   |

<sup>1</sup> The fraction of high-quarter wages applies between the minimum and maximum amounts. When State uses a weighted table, approximate fractions are figured at midpoint of brackets between minimum and maximum. When dependents' allowances are provided the fraction applies to the basic benefit amount. With annual-wage formula, fraction is minimum and maximum percentage used in any wage bracket. Dependents' allowances abbreviated as d. a.; see table 8 for details.

<sup>2</sup> When 2 amounts are given, higher includes dependents' allowance except in Utah (see footnote 10). Higher figure for minimum benefit amount includes allowance for 1 dependent; for maximum benefit amount, includes allowance for maximum number of dependents. The District of Columbia pays the same maximum with or without dependents. Maximum augmented payment to individual with dependents not shown for Massachusetts; see p. 16.

<sup>3</sup> Based on wages or employment in a specified prior period—2 years in Missouri and 1 year in all other States. States footnoted require wages in at least 2 quarters; Missouri, 3 quarters. Weekly benefit amount abbreviated as wba.

<sup>4</sup> See also table 4 for wage credits required for maximum duration.

<sup>5</sup> If claimant failed to receive qualifying wage for weekly benefit amount computed on high-quarter wages but received qualifying wages in next lower bracket, he is eligible for lower weekly benefit.

<sup>6</sup> Base-period wages equal to 1 1/2 times high-quarter wages or 30 times wba, whichever is less, but not less than \$300.

<sup>7</sup> One-half average State weekly wage; for 1950, \$27.

<sup>8</sup> If weekly benefit is less than \$3, total benefits are payable in \$3 weekly amounts.

<sup>9</sup> Minimum number of weeks applies to minimum weekly benefit only. Same step-down provision as described in footnote 5.

<sup>10</sup> The normal rates are minimum \$5, maximum \$20, currently increased 20 percent (to next higher dollar) with increase in the consumers' price index. Minimum earnings required for minimum benefits are those now applicable for benefit years beginning July 3, 1949, to Apr. 1, 1950.

<sup>11</sup> Weeks of employment at \$8.01 or more (Michigan); with average wage of \$12 or more (Wisconsin); at least 16 hours or 2 full days (Utah).

<sup>12</sup> Figured as 14 times minimum and maximum average weekly wage brackets (Michigan and Wisconsin); 19 times average weekly wage in high quarter, assuming 13 weeks' work in the quarter (Utah).

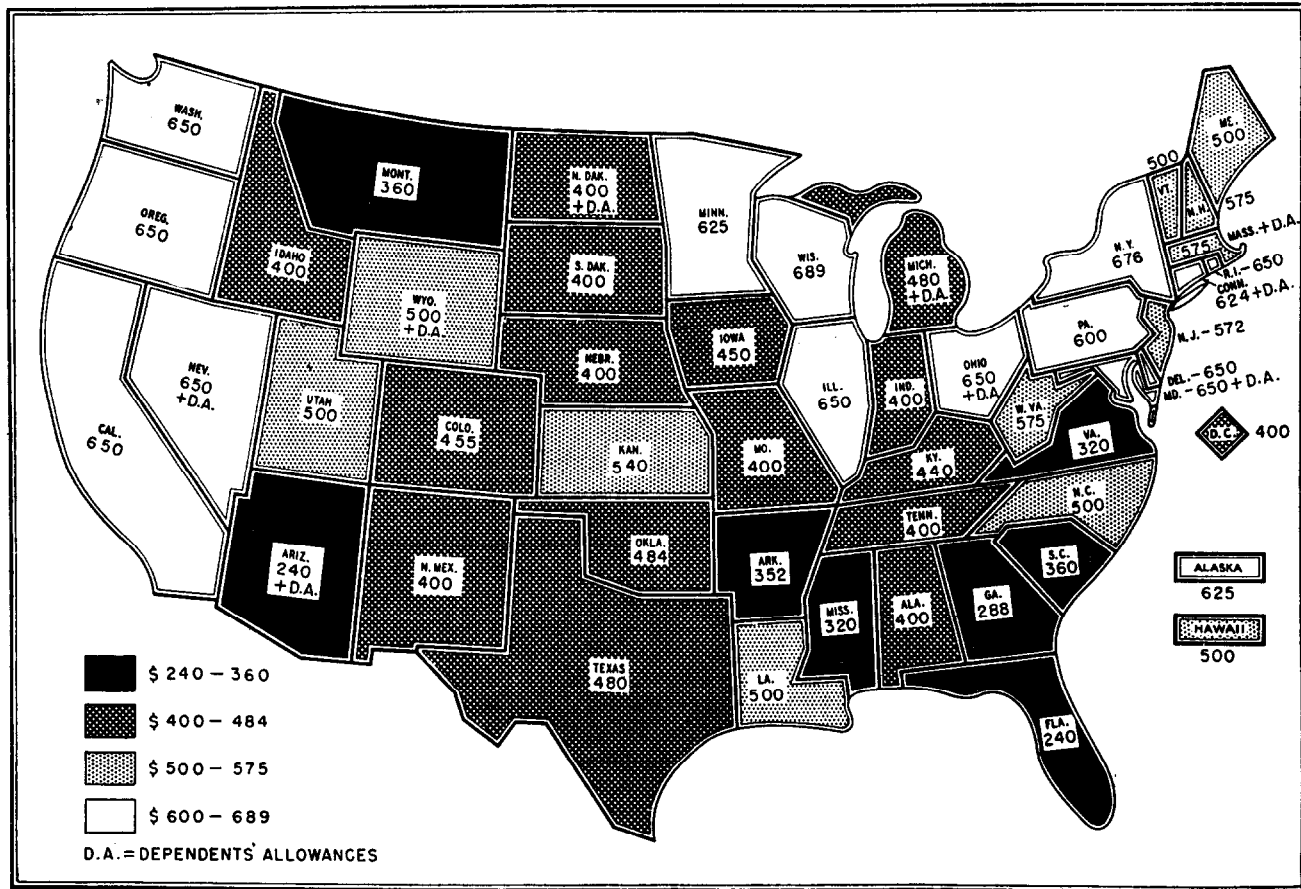
ment, a claimant must have base-period wages of \$3,432.

**Benefits for partial unemployment.**—Six States simplified or liberalized their provisions for partial unemployment. The greatest change was in Nebraska, which shifted from a conventional formula—benefits for a week of partial unemployment equal to the weekly benefit amount minus earnings for the week in excess of \$3—to a provision like that used in Michigan and Wisconsin. If a claimant's earnings in a week of less than full-time work are less than half his weekly benefit amount, he gets the full weekly benefit; if they are half his weekly benefit but less than the full weekly amount, he gets half a weekly benefit.

Texas put its partial benefits on a weekly instead of a biweekly basis, defining a claimant's week of partial unemployment as a week of less than full-time work with earnings of less than his weekly benefit amount plus \$3, and paying partial benefits with the same earnings allowance. West Virginia increased its earnings allowance from \$3 to \$6 in both the definition of a week of partial unemployment and the formula for determining the amount of partial benefits. Arkansas changed its definition of partial unemployment from a week with earnings of less than 6/5 of the weekly benefit amount to earnings of less than the weekly benefit amount. Thirty-eight States now have this simple method of determining the existence of partial unemployment.

All States except Montana provide for the payment of benefits when underemployment reaches a certain stage. In Montana, some workers who would be considered partially unemployed under most State laws are paid benefits for total unemployment, since earnings from odd-job or subsidiary work, or both, of not more than \$7 or a day's work of not more than 8 hours are disregarded. New York continues to pay benefits for less than full weeks of unemployment on a day-base plan. An effective day is a day of unemployment in excess of 3 days of unemployment in a statutory week of not more than 3 days of employment and earnings of not more than \$24. Benefits are not paid for each week separately but only after

Maximum potential benefits in a benefit year, by State, December 1949



a claimant has accumulated 4 effective days.

The amount of the partial earnings allowance is \$3 in the largest number of States (24);<sup>8</sup> \$2 in 11 States; \$5 in Alaska, Idaho, and Washington; \$6 in Utah and West Virginia. In Hawaii and Massachusetts there is no allowance and in South Carolina, only \$1. In the District of Columbia the allowance ( $\frac{2}{5}$  of the weekly benefit) varies from \$2.40 to \$8; in Kentucky it is  $\frac{1}{5}$ , and in Missouri  $\frac{1}{6}$  of the wages earned in the week.

### Dependents' Allowances

Six States added provisions for dependents' allowances in 1949, making 11 States, with 21 percent of the covered workers, that increase weekly benefits for claimants with specified

<sup>8</sup>See *Comparison of State Unemployment Insurance Laws*, op. cit., pp. 51-54.

types of dependents (table 8). The Alaska provision is effective only for benefit years beginning on and after July 1, 1949, and the Wyoming provision, for benefit years beginning on and after January 1, 1950.

Massachusetts and Nevada liberalized their dependents' allowance provisions. Massachusetts provided for payment of dependents' allowances during partial unemployment and removed the limitation on maximum potential benefits for claimants with dependents so that they can draw such allowances as long as they are eligible for basic benefits. Nevada increased maximum dependents' allowances from \$2 for each of three dependents to \$3 for each of four dependents but limited augmented benefits to 6 percent of high-quarter wages. Though the fraction for determining the basic weekly benefit was reduced by this legislature, the maximum dependents' allowance for

low-wage earners is much less than the maximum stated (table 8).

**Definition of dependent.**—The provisions for dependents' allowances in the 11 States vary greatly in the definition of compensable dependent and in the amount of the allowance granted. In general, a dependent must be "wholly or mainly supported by the claimant" or "living with or receiving regular support from him." In Alaska, allowances are paid only for dependents residing in the Territory.

In all these 11 States, "dependents" include children under a specified age (16 to 19).<sup>9</sup> In seven States<sup>10</sup> children are the only dependents recognized. The intent is to include all children whom the claimant is morally obligated to support (District of Co-

<sup>9</sup> Under age 16: Connecticut, the District of Columbia, Maryland, Nevada; under 18: Alaska, Arizona, Massachusetts, Michigan, North Dakota, Ohio; under 19: Wyoming.

<sup>10</sup> Connecticut, Maryland, Massachusetts, Michigan, North Dakota, Ohio, Wyoming.

**Table 2.—Changes in maximum weekly benefit amounts, 1949 legislation**

| State                       | Basic benefit  |                 | Augmented benefit |                 |
|-----------------------------|----------------|-----------------|-------------------|-----------------|
|                             | 1949 amendment | Prior provision | 1949 amendment    | Prior provision |
| Alaska.....                 |                | \$25.00         | \$40.00           | -----           |
| Arizona.....                |                | 20.00           | 26.00             | -----           |
| Arkansas.....               | \$22.00        | 20.00           |                   | -----           |
| Colorado.....               | 22.75          | 17.50           |                   | -----           |
| Delaware.....               | 26.00          | 18.00           |                   | -----           |
| Illinois <sup>1</sup> ..... | 25.00          | 20.00           |                   | -----           |
| Iowa.....                   | 22.50          | 20.00           |                   | -----           |
| Kansas <sup>2</sup> .....   | 27.00          | 18.00           |                   | -----           |
| Maine.....                  | 25.00          | 22.50           |                   | -----           |
| Maryland.....               |                | 25.00           | 33.00             | -----           |
| Michigan.....               | 24.00          | 20.00           | \$ 32.00          | \$ 28.00        |
| Minnesota.....              | 25.00          | 20.00           |                   | -----           |
| Montana.....                | 20.00          | 18.00           |                   | -----           |
| Nebraska.....               | 20.00          | 18.00           |                   | -----           |
| Nevada.....                 | 25.00          | 20.00           | 37.00             | 26.00           |
| New Hampshire.....          | 25.00          | 22.00           |                   | -----           |
| North Carolina.....         | 25.00          | 20.00           |                   | -----           |
| North Dakota.....           |                | 20.00           | 26.00             | -----           |
| Ohio.....                   | 25.00          | 21.00           | 31.00             | -----           |
| Oklahoma.....               | 22.00          | 18.00           |                   | -----           |
| Oregon.....                 | 25.00          | 20.00           |                   | -----           |
| Pennsylvania.....           | 25.00          | 20.00           |                   | -----           |
| Tennessee.....              | 20.00          | 15.00           |                   | -----           |
| Texas.....                  | 20.00          | 18.00           |                   | -----           |
| Vermont.....                | 25.00          | 20.00           |                   | -----           |
| West Virginia.....          | 25.00          | 20.00           |                   | -----           |
| Wisconsin.....              | 20.00          | 24.00           |                   | -----           |
| Wyoming <sup>3</sup> .....  | 25.00          | 20.00           | \$ 31.00          | -----           |

<sup>1</sup> Not effective until Apr. 1, 1950.  
<sup>2</sup> Maximum equals one-half average State wage—\$25 in 1949, \$27 in 1950.  
<sup>3</sup> Increase in augmented benefit results only from increase in basic benefit.  
<sup>4</sup> Dependents' allowance effective only for benefit years beginning on and after Jan. 1, 1950.

lumbia) or all whom he "is responsible for and does support" (Wyoming). Hence stepchildren are included in all States except Massachusetts, and adopted children are included in Arizona, Michigan, North Dakota, and Wyoming. Married children are excluded in Arizona and North Dakota, gainfully employed children in Nevada, and those earning more than \$5 in a claim week in North Dakota. In Alaska, the District of Columbia, Michigan, and Nevada, allowances may be paid in behalf of older children who are unable to work because of physical or mental disability.

Four States pay allowances on behalf of other dependents also. Included within their definitions of dependents are wives who are not regularly engaged in rendering services for remuneration or in any occupation for profit (Alaska and Nevada); nonworking spouses receiving regular support from the claimant (Arizona); spouses unable to work because of disability (District of Columbia); husbands unable to work (Alaska and

Nevada); parents, stepparents, and parents-in-law, wholly or mainly supported by the claimant (Arizona); and dependent parents, brothers, and sisters who are unable to work because of age or disability (Alaska, the District of Columbia, and Nevada). In Arizona no claimant can receive an allowance for any dependent who is receiving benefits on the basis of his own wage credits.

*Weekly amount of dependents' allowances.*—The amount allowed for each dependent varies from \$1 in the District of Columbia to \$3 in Connecticut, Nevada, and Wyoming; Michigan allows from \$1 to \$2, and Alaska, from \$2 to \$5, according to the basic weekly benefit amount (table 8). All States have a limit on the total dependents' allowances payable in any week—in terms of dollar amount, number of dependents, percentage of basic benefit or of average weekly wage, or some combination of these factors. Only in Massachusetts can any claimant receive allowances for more than four dependents. In Ohio and Wyoming the limit is two; in Alaska, Arizona, the District of Columbia, and North Dakota, three; in Connecticut, Maryland, Michigan, and Nevada, four.

Moreover, in several States the limitations on maximum allowances in terms of a percentage of high-quarter wages or of weekly benefit amount result in reducing the nominal allowance per dependent or the number of dependents on whose behalf allowances may be paid. In Massachusetts, Nevada, and Wyoming, for instance, the claimant who barely qualifies for the minimum weekly benefit is not eligible for any allowance for dependents. Only in Arizona, the District of Columbia, Maryland, and Ohio can a claimant with the minimum weekly benefit draw the maximum amount of dependents' allowances provided in the law. In Arizona and Maryland a claimant with the minimum weekly benefit may receive more than his basic benefit in dependents' allowances if he is eligible for the maximum allowances. In Nevada no claimant with a weekly benefit of less than \$23 can get the full \$12 allowed for four dependents, and only in the maximum \$25-benefit bracket are all claimants eligible for \$12 if they have

four or more dependents. The District of Columbia has a different type of limit in that the maximum weekly benefit is the same (\$20) with or without dependents; thus no claimant with a weekly benefit of more than \$17 can draw the maximum dependents' allowance of \$3 per week.

In Massachusetts there is no limit on the weekly allowance except in terms of the average weekly wage as defined in the law and the number of dependent children. The claimant who has \$480 in high-quarter wages (the minimum amount that qualifies him for the maximum basic benefits) could have an allowance for six dependents because his total benefits are limited to his average weekly wage, which in this case would be \$37. One who had been paid maximum taxable wages (\$3,000) in his high quarter would receive \$2 for each of his dependent children under age 18, no matter how many.

**Table 3.—Summary of provisions for minimum weekly benefit, maximum weekly benefit, and maximum potential benefits in State unemployment insurance laws, 1948 and 1949**

| Item and amount                   | Number of States with specified amounts |                     |                 |
|-----------------------------------|---|---------------------|-----------------|
|                                   | 1948, without dependents                | 1949                |                 |
|                                   |   | With-out dependents | With dependents |
| <i>Minimum weekly benefit</i>     |   |                     |                 |
| Total number of States.....       | 51                                      | 51                  | 11              |
| \$0.50-4.00.....                  | 5                                       | 4                   | 0               |
| 5.00.....                         | 17                                      | 12                  | 0               |
| 6.00-9.00.....                    | 22                                      | 26                  | 3               |
| 10.00.....                        | 7                                       | 8                   | 2               |
| 11.00-15.00.....                  | 0                                       | 1                   | 6               |
| <i>Maximum weekly benefit</i>     |   |                     |                 |
| Total number of States.....       | 51                                      | 51                  | 11              |
| \$15 and \$18.....                | 10                                      | 2                   | 0               |
| 20.....                           | 25                                      | 17                  | 1               |
| 22-24.....                        | 6                                       | 7                   | 0               |
| 25.....                           | 9                                       | 22                  | 0               |
| 26 and 27.....                    | 1                                       | 3                   | 2               |
| 30-40.....                        | 0                                       | 0                   | 7               |
| Not specified.....                | 0                                       | 0                   | 1               |
| <i>Maximum potential benefits</i> |   |                     |                 |
| Total number of States.....       | 51                                      | 51                  | 11              |
| \$240 but less than \$400.....    | 16                                      | 8                   | 1               |
| 400 but less than 500.....        | 20                                      | 15                  | 1               |
| 500 but less than 600.....        | 9                                       | 13                  | 1               |
| 600 but less than 700.....        | 6                                       | 15                  | 3               |
| More than 700.....                | 0                                       | 0                   | 5               |

Table 4.—Duration provisions in State laws as of December 1949

| State and type of formula                             | Proportion of wages in 4-quarter base period             | Minimum potential benefits <sup>1</sup> |                  | Maximum potential benefits |                 |                                    |                       |
|---|--|---|------------------|----------------------------|-----------------|------------------------------------|-----------------------|
|   |  | Amount                                  | Weeks            | Amount <sup>2</sup>        | Weeks           | Wage credits required <sup>1</sup> |                       |
|   |  |   |                  |                            |                 | High quarter                       | Base period           |
| Uniform potential duration for all eligible claimants |  |   |                  |                            |                 |                                    |                       |
| Arizona   |  | \$60.00                                 | 12               | \$240-312                  | 12              | \$380.01                           | \$600.00              |
| Georgia   |  | 64.00                                   | 16               | 288                        | 16              | 455.01                             | 720.00                |
| Hawaii  |  | 100.00                                  | 20               | 500                        | 20              | 600.01                             | 750.00                |
| Kentucky  |  | 154.00                                  | 22               | 440                        | 22              | <sup>3</sup> 438.75                | 1,755.00              |
| Maine   |  | 120.00                                  | 20               | 500                        | 20              | <sup>3</sup> 737.50                | 2,950.00              |
| Mississippi   |  | 48.00                                   | 16               | 320                        | 16              | 494.01                             | 600.00                |
| Montana   |  | 128.00                                  | 18               | 360                        | 18              | 422.23                             | 600.00                |
| New Hampshire   |  | 138.00                                  | 23               | 575                        | 23              | <sup>3</sup> 500.00                | 2,000.00              |
| New York  |  | 260.00                                  | <sup>4</sup> 26  | 676                        | <sup>4</sup> 26 | 586.00                             | 780.00                |
| North Carolina  |  | 120.00                                  | 20               | 500                        | 20              | <sup>3</sup> 625.00                | 2,500.00              |
| North Dakota  |  | 100.00                                  | 20               | 400-520                    | 20              | 437.01                             | 660.00                |
| South Carolina  |  | 90.00                                   | 18               | 360                        | 18              | 400.00                             | 600.00                |
| Tennessee   |  | 100.00                                  | 20               | 400                        | 20              | 494.01                             | 600.00                |
| Vermont   |  | 120.00                                  | 20               | 500                        | 20              | 650.00                             | 750.00                |
| West Virginia   |  | 184.00                                  | 23               | 575                        | 23              | <sup>3</sup> 625.00                | 2,500.00              |
| Maximum potential duration varying with wage credits  |  |   |                  |                            |                 |                                    |                       |
| Alabama   | <sup>1</sup> / <sub>4</sub>                              | \$40.00                                 | 10               | \$400                      | 20              | \$507.01                           | \$1,198.50            |
| Alaska  | <sup>1</sup> / <sub>4</sub>                              | 64.00                                   | <sup>5</sup> 8   | 625                        | 25              | 480.01                             | 1,872.01              |
| Arkansas  | <sup>1</sup> / <sub>4</sub>                              | 70.00                                   | 10               | 352                        | 16              | 572.00                             | 990.01                |
| California  | <sup>1</sup> / <sub>4</sub>                              | 150.00                                  | <sup>1</sup> 12+ | 450                        | 26              | 580.00                             | 1,298.01              |
| Colorado  | <sup>1</sup> / <sub>4</sub>                              | 70.00                                   | 10               | 455                        | 20              | 562.51                             | 1,365.00              |
| Connecticut   | <sup>1</sup> / <sub>4</sub>                              | 70.00                                   | <sup>1</sup> 6+  | 624-936                    | 26              | <sup>6</sup> 626.00                | 2,480.00              |
| Delaware  | <sup>1</sup> / <sub>4</sub>                              | 77.00                                   | <sup>5</sup> 11  | 650                        | 26              | 649.51                             | 2,598.01              |
| District of Columbia                                  | <sup>1</sup> / <sub>4</sub>                              | 75.00                                   | <sup>1</sup> 10+ | 400                        | 20              | 437.01                             | 798.01                |
| Florida   | <sup>1</sup> / <sub>4</sub>                              | 38.00                                   | 7+               | 240                        | 16              | 345.01                             | 956.01                |
| Idaho   | 40-22 percent  | 100.00                                  | 10               | 400                        | 20              | 475.01                             | 1,820.00              |
| Illinois  | 47-33 percent  | 140.00                                  | <sup>5</sup> 10  | 650                        | 26              | <sup>6</sup> 493.75                | 1,975.00              |
| Indiana   | <sup>1</sup> / <sub>4</sub>                              | 62.00                                   | <sup>1</sup> 6+  | 400                        | 20              | 475.01                             | 1,600.00              |
| Iowa  | <sup>1</sup> / <sub>4</sub>                              | 33.33                                   | 6+               | 450                        | 20              | 455.01                             | 1,350.00              |
| Kansas  | <sup>1</sup> / <sub>4</sub>                              | 34.00                                   | 6+               | 540                        | 20              | 600.01                             | 1,500.00              |
| Louisiana   | <sup>1</sup> / <sub>4</sub>                              | 50.00                                   | 10               | 500                        | 20              | 480.01                             | 1,497.01              |
| Maryland  | <sup>1</sup> / <sub>4</sub>                              | 45.00                                   | 7+               | 650-858                    | 26              | <sup>6</sup> 858.00                | 3,432.00              |
| Massachusetts   | <sup>3</sup> / <sub>10</sub>                             | 45.00                                   | <sup>1</sup> 5+  | 575-( <sup>2</sup> )       | 23              | 480.00                             | 1,913.34              |
| Michigan  | <sup>2</sup> / <sub>3</sub> weeks of employment          | 56.00                                   | 9+               | 480-640                    | 20              | <sup>7</sup> 548.13                | <sup>7</sup> 1,260.30 |
| Minnesota   | 47-23 percent  | 140.00                                  | 14+              | 625                        | 25              | <sup>3</sup> 687.50                | 2,750.00              |
| Missouri  | <sup>1</sup> / <sub>4</sub> in 8 quarters                | 5.00                                    | <sup>3</sup> 1+  | 400                        | 20              | 487.51                             | 1,600.00              |
| Nebraska  | <sup>1</sup> / <sub>4</sub>                              | 102.00                                  | <sup>1</sup> 8+  | 400                        | 20              | 450.01                             | 1,185.00              |
| Nevada  | <sup>1</sup> / <sub>4</sub>                              | 80.00                                   | 10               | 650-962                    | 26              | 600.01                             | 1,947.01              |
| New Jersey  | <sup>1</sup> / <sub>4</sub>                              | 90.00                                   | <sup>5</sup> 10  | 572                        | 26              | 462.01                             | 1,713.01              |
| New Mexico  | <sup>1</sup> / <sub>4</sub>                              | 60.00                                   | 12               | 400                        | 20              | 494.01                             | 997.51                |
| Ohio  | <sup>1</sup> / <sub>4</sub>                              | 160.00                                  | <sup>1</sup> 12+ | 650-780                    | 26              | 581.00                             | 973.51                |
| Oklahoma  | <sup>1</sup> / <sub>4</sub>                              | 40.00                                   | 6+               | 484                        | 22              | 420.01                             | 1,449.01              |
| Oregon  | <sup>1</sup> / <sub>4</sub>                              | 100.00                                  | 6+               | 650                        | 26              | <sup>3</sup> 650.00                | 2,600.00              |
| Pennsylvania  | <sup>1</sup> / <sub>4</sub>                              | 72.00                                   | 9                | 600                        | 24              | 613.00                             | 2,057.00              |
| Rhode Island  | 52-27 percent  | 52.00                                   | 5+               | 650                        | 26              | <sup>6</sup> 600.00                | 2,400.00              |
| South Dakota  | 48-22 percent  | 90.00                                   | <sup>1</sup> 6+  | 400                        | 20              | 450.00                             | 1,800.00              |
| Texas   | <sup>1</sup> / <sub>4</sub>                              | 40.00                                   | 5+               | 480                        | 24              | <sup>6</sup> 500.00                | 2,400.00              |
| Utah  | Schedule in percent of average State wages. <sup>9</sup> | <sup>9</sup> 150.00                     | <sup>9</sup> 15  | 500                        | <sup>9</sup> 20 | <sup>6</sup> 550.00                | <sup>9</sup> 2,200.01 |
| Virginia  | <sup>1</sup> / <sub>4</sub>                              | 30.00                                   | 6                | 320                        | 16              | 475.01                             | 1,240.01              |
| Washington  | 25-31 percent  | 150.00                                  | 15               | 650                        | 26              | <sup>3</sup> 625.00                | 2,100.00              |
| Wisconsin   | <sup>2</sup> / <sub>3</sub> weeks of employment          | 85.50                                   | 9+               | 689                        | 26+             | <sup>7</sup> 650.13                | <sup>7</sup> 2,000.40 |
| Wyoming   | <sup>1</sup> / <sub>4</sub>                              | 42.00                                   | 6                | 500-620                    | 20              | <sup>6</sup> 487.51                | 1,950.01              |

<sup>1</sup> Maximum potential benefits for claimants with minimum qualifying wages. (See table 1 for qualifying wages.) In States noted, weeks for claimants with minimum weekly benefit will be greater than figure here for claimants whose weekly benefit is higher than the minimum because qualifying wages are concentrated largely or wholly in high quarter; see table 1 for minimum weekly benefit and divide into minimum potential benefits. In Arizona, Connecticut, the District of Columbia, Massachusetts, Michigan, Nevada, North Dakota, Ohio, and Wyoming, dependents' allowances, being outside the duration formula, may add to potential benefits for claimants with minimum qualifying wages. See table 8 for additional weekly allowance.

<sup>2</sup> When 2 amounts are given, higher includes maximum dependents' allowances; same maximum with or without dependents' allowances in Alaska and District of Columbia; no maximum augmented benefit given for Massachusetts since augmented weekly benefit is practically unlimited; see table 8.

<sup>3</sup> Annual-wage formula; amount shown for high quarter is <sup>1</sup>/<sub>4</sub> of required base-period wages.

<sup>4</sup> Converted from days of unemployment.

<sup>5</sup> Statutory minimum.

<sup>6</sup> Amount shown is <sup>1</sup>/<sub>4</sub> of base-period wages. To obtain maximum potential annual benefits, claimant must have more than 4 times high-quarter wages necessary for maximum weekly benefit; see table 1.

<sup>7</sup> Figures given are based on highest average weekly wage in schedule (\$42.01). High-quarter figure assumes 13 weeks of employment; base-period figure assumes the 30 weeks required for maximum duration.

<sup>8</sup> A claimant eligible for the minimum benefit amount may draw all benefits due in 1 and a fraction weeks because when benefits are 50 cents to \$3 a week, total benefits are paid at rate of \$3 a week.

<sup>9</sup> Maximum potential benefits of \$150 for 16 percent of average State wages to \$500 for 100 percent are not increased by cost-of-living allowance that raises weekly benefits; hence, weeks of duration are reduced. Statutory minimum is 15 weeks. Qualifying wages shown are for benefit years beginning on and after Apr. 1, 1950, based on 1949 average wages.

In Nevada no dependents' allowances are payable if both parents are receiving benefits; in five States (Alaska, Connecticut, the District of Columbia, Nevada, and Ohio) only one parent may draw allowances if both are receiving benefits simultaneously. In Michigan, only the father can receive dependents' allowances unless the mother is the child's sole or principal support; and in Wyoming, only the parent having custody.

*Dependents' allowances for partially unemployed workers.*—Claimants who are eligible for partial benefits may draw dependents' allowances in all the States that provide these allowances. In all States the existence of partial unemployment is measured by the basic rather than the augmented benefit amount. Except in Michigan, the full allowance is paid for a week of partial unemployment and the allowance for dependents may be greater than the basic benefit for partial unemployment. A Nevada claimant with a weekly benefit rate of \$24 and four compensable dependents, for example, would receive \$5 as basic benefit and \$12 as dependents' allowances in a week in which he earned \$22.50. He would, however, be ineligible for any benefits in a week in which he earned \$24 or more. In Michigan the dependents' allowance is considered part of the "full weekly benefit rate"; and the benefit for a week of partial unemployment, which is always one-half of the weekly benefit, includes only one-half of the dependents' allowance. In the District of Columbia, claimants with the maximum weekly benefit who are not entitled to any dependents' allowance when totally unemployed may draw such allowances when partially unemployed.

*Relation of dependents' allowances to duration of benefits.*—In Alaska the maximum potential benefits in a benefit year are not increased for claimants with dependents' allowances; when the weekly benefit is augmented, the number of weeks of benefits is decreased. In the District of Columbia the maximum potential benefits for claimants entitled to the maximum weekly benefit amount are the same for claimants with or without dependents because the maximum weekly benefit for total unemployment is the

same with or without dependents. In the other States and for claimants eligible for less than the maximum in the District of Columbia the dependents' allowances are added to the basic weekly benefit as long as it is payable; in Maryland, however, the dependents' allowances are included in the benefit formula for duration purposes, and claimants with the maximum weekly benefit (\$25) and maximum compensable dependents (four) can receive \$33 weekly for 26 weeks only if they have earned \$3,432 in the base period. In five States,<sup>11</sup> where full allowances for dependents are paid for weeks of partial benefits, the maximum potential benefits and allowances in a benefit year may be greater than the maximum augmented benefits for the maximum number of weeks of total unemployment provided in the law.

### Waiting Period

The trend toward shorter waiting periods continued in the 1949 enactments. Nevada joined Maryland in eliminating the waiting-period requirement, and Minnesota, Nebraska, Ohio, and Wyoming reduced the waiting period from 2 weeks to 1 week. Four States<sup>12</sup> still require 2 weeks of initial waiting period; nine States<sup>13</sup> require 2 or more weeks of partial unemployment in lieu of 1 week of total unemployment; and Texas retains the requirement of additional waiting weeks during a benefit year if unemployment is intermittent.

As a result of the 1949 legislation, 93 percent of the covered workers are now covered by 45 laws that require 1 week of total unemployment as an initial waiting period, 5 percent are in four States that require 2 weeks of total unemployment, and 2 percent

are in two States with no waiting-period requirement.

### Availability and Disqualification

While potential benefits were increased in more than half the States, several States made it more difficult for individual claimants to draw benefits.

*Active search for work.*—The trend continued toward statutory requirements that claimants must not only be able to work and available for work but must also be "actively seeking work." Seven States added such provisions; in Vermont and Wisconsin the requirement is discretionary with the agency; in Colorado, Illinois, Kansas, Maine, and Ohio, it is mandatory. Maryland changed its "actively seeking work" provision from a requirement for eligibility for any week's benefits to a 10-week disqualification. These amendments bring to 22 the States with statutory provisions requiring an active search for work.<sup>14</sup>

*Disqualification for special causes.*—Nebraska, Pennsylvania, South Carolina, and Tennessee added a disqualification for fraudulent misrepresentation to obtain or increase benefits, making 33 States with such provisions. Five States (Arkansas, California, Maine, Utah, and Washington) increased the disqualification imposed for this cause.

Arkansas, Illinois, Kansas, and Vermont added a special disqualification for unemployment due to pregnancy; and Arkansas and Illinois added, while Wyoming deleted, a special disqualification for leaving work because of marital obligations. At the end of the sessions, 23 States had a special disqualification for unemployment due to pregnancy, 18 for marital obligations, and 29 for one or both of these causes.

Utah added a special disqualification for a discharge for gross misconduct, making 14 States with such provisions separate from the regular disqualification provision for a discharge for misconduct.

*Increased disqualification periods.*—Six States increased disqualification

<sup>14</sup> For further detail on this provision and others described in this section see *Comparison of State Unemployment Insurance Laws*, op. cit., chapter IV.

**Table 5.—Summary of maximum duration provisions in State unemployment insurance laws, 1948 and 1949**

| Maximum weeks of benefits   | Number of States with specified maximum |            |                  |                   |
|-----------------------------|---|------------|------------------|-------------------|
|                             | 1948, all States                        | 1949       |                  |                   |
|                             |   | All States | Uniform duration | Variable duration |
| Total number of States..... | 51                                      | 51         | 15               | 36                |
| 12-18.....                  | 11                                      | 8          | 5                | 3                 |
| 20.....                     | 23                                      | 21         | 6                | 15                |
| 21-24.....                  | 9                                       | 7          | 3                | 4                 |
| 25.....                     | 1                                       | 2          | 0                | 2                 |
| 26 and 26+.....             | 7                                       | 13         | 1                | 12                |

periods for one or more of the major causes (voluntary leaving, discharge for misconduct, and refusal of suitable work). Arkansas changed the period from the week of the disqualifying act plus 1-5 weeks additional to the week of the disqualifying act plus 10 weeks of unemployment, for the three causes. Three States with variable disqualification up to the maximum duration of benefits increased the disqualification period when they increased the potential duration of benefits. In Colorado the maximum disqualification period for the three major causes is 20 weeks; in South Carolina, for a discharge for misconduct, 18 weeks; and in Texas, 24 weeks for voluntary leaving and discharge for misconduct and 12 weeks for refusal of suitable work, with mandatory reduction of benefits for all causes. Illinois changed from a variable 3-7 week disqualification for voluntary leaving to a flat disqualification of 6 weeks for which the claimant has registered for work. Ohio increased the disqualification for a discharge for just cause in connection with the work from 3 weeks to the week of the discharge plus 4 weeks but decreased the mandatory reduction of benefits from 6 weeks to 3 weeks.

Vermont limited good cause for voluntary leaving to causes attributable to the employer. Eighteen States now have such provisions.

*Countertrend toward less strict eligibility or disqualification provisions.*—During the same sessions, nine States relaxed the conditions for eligibility for benefits in one or more ways.



Vermont modified its able-to-work requirement by providing that claimants who become disabled after qualifying for benefits may continue eligible as long as no work, suitable but for the disability, is offered and refused. Idaho, Maryland, Montana, Nevada, and Tennessee had earlier adopted similar provisions.

Colorado amended its voluntary quit provision so that good personal cause as well as good cause "attributable to the employer" may prevent disqualification for voluntary leaving. Alabama liberalized the voluntary leaving provision, eliminating disqualifications under certain specified conditions in case of sickness and for students. Wisconsin also liberalized the voluntary leaving provision by providing that, when a claimant accepts new work which he could have refused with good cause and leaves for the same good cause within 10 weeks, he may if otherwise eligible draw benefits based on previous employment.

Washington decreased the period of disqualification for voluntary leaving and discharge for misconduct from a variable 5-10 weeks to a flat 5 weeks. South Dakota reduced from 5 weeks to 1 week its minimum disqualification for a discharge for misconduct and a refusal of suitable work, while retaining the maximum disqualification of 10 weeks for these two causes, and added that weeks of disqualification must be weeks of unemployment for which claims are filed. Ohio reduced its disqualification for voluntary leaving from the duration of the unemployment and until the claimant has been reemployed and has earned at least four times his weekly benefit amount to the week of

quitting plus 4 weeks, but added a mandatory reduction of 3 weeks' benefits. Tennessee reduced its disqualification for discharge for gross misconduct from a cancellation of benefit rights for the quarter in which the act occurred and the 4 succeeding quarters to postponement of benefits for a period of 12-52 weeks following the act.

New Hampshire and Pennsylvania amended their provisions concerning disqualification on account of a labor dispute. Both limited disqualification for a stoppage of work by eliminating a labor dispute due to lock-out as a cause of disqualification.

**Disqualifying income.**—Seven States changed their provisions for disqualifying claimants for weeks in which they receive specified types of income. Arkansas, Hawaii, Rhode Island, and Tennessee repealed the disqualification for the receipt of old-age and survivors insurance benefits, and Maryland, New Hampshire, and Texas, for the receipt of an employer's pension. Arkansas, however, added as disqualifying income wages in lieu of notice and an employer's pension.

By the end of the 1949 sessions, only six States had disqualifications limited to voluntary leaving, discharge for misconduct, refusal of suitable work, and labor dispute. Twenty-two States now cancel or reduce benefit rights in case of disqualification for one or more of the three major causes; 16 States cancel or reduce benefit rights in case of disqualification for one or more of the special causes. Only 13 States have no provision for cancellation or reduction of benefits under some disqualifying circumstances.

Table 6.—Number of States with specified maximum basic weekly benefit and maximum weeks of benefits for total unemployment, 1949

| Maximum weeks of benefits   | Total number of States | Maximum basic weekly benefit |      |      |      |         |         |      |      |      |      |
|-----------------------------|------------------------|------------------------------|------|------|------|---------|---------|------|------|------|------|
|                             |                        | \$15                         | \$18 | \$20 | \$22 | \$22.50 | \$22.75 | \$24 | \$25 | \$26 | \$27 |
| Total number of States..... | 51                     | 1                            | 1    | 17   | 3    | 1       | 1       | 2    | 22   | 2    | 1    |
| 12.....                     | 1                      |                              |      | 1    |      |         |         |      |      |      |      |
| 16.....                     | 5                      | 1                            | 1    | 2    | 1    |         |         |      |      |      |      |
| 18.....                     | 2                      |                              |      | 2    |      |         |         |      |      |      |      |
| 20.....                     | 21                     |                              |      | 10   |      | 1       | 1       | 1    | 7    |      | 1    |
| 22.....                     | 2                      |                              |      | 1    | 1    |         |         |      |      |      |      |
| 23.....                     | 3                      |                              |      |      |      |         |         |      | 3    |      |      |
| 24.....                     | 2                      |                              |      | 1    |      |         |         |      | 1    |      |      |
| 25.....                     | 2                      |                              |      |      |      |         |         |      | 2    |      |      |
| 26.....                     | 12                     |                              |      |      | 1    |         |         | 1    | 9    | 1    |      |
| 26+.....                    | 1                      |                              |      |      |      |         |         |      |      | 1    |      |

Table 7.—Changes in maximum potential benefits, 1949 legislation

| State                       | Basic benefits |                 | Augmented benefits <sup>1</sup> |                 |
|-----------------------------|----------------|-----------------|---------------------------------|-----------------|
|                             | 1949 amendment | Prior provision | 1949 amendment                  | Prior provision |
| Arizona.....                |                | \$240           | \$312                           |                 |
| Arkansas.....               | \$352          | 320             |                                 |                 |
| Colorado.....               | 455            | 350             |                                 |                 |
| Connecticut.....            | 624            | 528             | 2 936                           | \$792           |
| Delaware.....               | 650            | 396             |                                 |                 |
| Illinois <sup>2</sup> ..... | 8 650          | 520             |                                 |                 |
| Iowa.....                   | 500            | 400             |                                 |                 |
| Kansas.....                 | 540            | 360             |                                 |                 |
| Maine.....                  | 500            | 450             |                                 |                 |
| Maryland.....               |                | 650             | 858                             |                 |
| Massachusetts.....          |                | 575             | (4) 640                         | 575             |
| Michigan.....               | 480            | 400             | 2 640                           | 560             |
| Minnesota.....              | 625            | 400             |                                 |                 |
| Montana.....                | 360            | 288             |                                 |                 |
| Nebraska.....               | 400            | 324             |                                 |                 |
| Nevada.....                 | 650            | 400             | 962                             | 520             |
| New Hampshire.....          | 575            | 506             |                                 |                 |
| North Carolina.....         | 500            | 320             |                                 |                 |
| North Dakota.....           |                | 400             | 520                             |                 |
| Ohio.....                   | 650            | 462             | 780                             |                 |
| Oklahoma.....               | 484            | 360             |                                 |                 |
| Oregon.....                 | 650            | 400             |                                 |                 |
| Pennsylvania.....           | 600            | 480             |                                 |                 |
| Tennessee.....              | 400            | 360             |                                 |                 |
| Texas.....                  | 480            | 324             |                                 |                 |
| Vermont.....                | 500            | 400             |                                 |                 |
| West Virginia.....          | 575            | 420             |                                 |                 |
| Wisconsin.....              | 689            | 576             |                                 |                 |
| Wyoming <sup>3</sup> .....  | 500            | 400             | 3 620                           |                 |

<sup>1</sup> Assuming weeks of total unemployment only; except in Michigan and Ohio, weeks of partial unemployment could increase augmented benefits in a benefit year (see table 8). In Maryland, additional base-period wages would be required.

<sup>2</sup> Increase due to increase in weeks of benefits in Connecticut and in basic benefits in Michigan.

<sup>3</sup> Effective only for benefit years beginning on and after Jan. 1, 1950 (Wyoming); for uniform benefit year beginning Apr. 1, 1950 (Illinois).

<sup>4</sup> Limited only by average weekly wage and by number of dependent children; claimant with 13 children under age 18 and average weekly wage of \$51 could draw \$1,173 in a benefit year.

### Disparities in Benefits for Same Wage Credits

Most unemployment insurance laws have been amended at least once every 2 years since they were enacted in the years 1935-37.<sup>15</sup> No two State laws were exactly alike in the beginning, and the differences are increased by amendments from year to year. The current differences in benefit provisions are shown, in part, in tables 1 and 4, which report the differences from State to State in minimum and maximum weekly and annual benefits and in the qualifying wages for such benefits. The diversities are emphasized in table 9, which shows the dif-

<sup>15</sup> For earlier statements of differences in State laws, see Ruth Reticker, "State Unemployment Compensation Laws of 1945," *Social Security Bulletin*, July 1945, pp. 18-20, and "Variations in Benefit Rights Under State Unemployment Compensation Laws," June 1942, pp. 4-11.

Table 8.—Provisions for dependents' allowances in 11 State laws, as of December 1949

| State         | Weekly allowance per dependent | Limitations on weekly allowances  | Minimum weekly benefit |                   | Maximum weekly benefit |                   | Full allowance for week of partial benefits | Maximum potential benefits in benefit year |                 |
|---------------|--------------------------------|---|------------------------|-------------------|------------------------|-------------------|---|--|-----------------|
|               |                                |   | Basic benefit          | Maximum allowance | Basic benefit          | Maximum allowance |   | Without dependents                         | With dependents |
| Alaska        | \$2-5                          | Total allowances not more than 60 percent of weekly benefit amount.       | \$8                    | \$5               | \$25                   | \$15              | Yes   | \$625                                      | \$625           |
| Arizona       | 2                              | \$6 weekly benefit amount.  | 5                      | 6                 | 20                     | 6                 | Yes   | 240  | 1 312           |
| Connecticut   | 3                              |   | 8                      | 4                 | 24                     | 12                | Yes   | 624  | 1 936           |
| Dist. of Col. | 2 1                            | \$3 <sup>2</sup> -----  | 6                      | 3                 | 20                     | 2 0               | Yes   | 400  | 2 400           |
| Maryland      | 2                              |   | \$8-----               | 6                 | 8                      | 25                | 8   | Yes  | 650             |
| Massachusetts | 2                              | Augmented benefit not more than average weekly wage. <sup>4</sup>         | 6                      | 4 0-4             | 25                     | 12-(*)            | Yes   | 575  | (*)             |
| Michigan      | 1-2                            | Schedule \$1-\$8  | 6                      | 1                 | 24                     | 8                 | No <sup>5</sup>                             | 480  | 640             |
| Nevada        | 3                              | \$12 but augmented benefit not more than 6 percent of high-quarter wages. | 8                      | 0 0-4             | 25                     | 12                | Yes   | 650  | 1 962           |
| North Dakota  | 2                              | Schedule \$2-\$6  | 5                      | 2                 | 20                     | 6                 | Yes   | 400  | 1 520           |
| Ohio          | 2.50                           | \$5-----  | 10                     | 5                 | 25                     | 5                 | Yes   | 650  | 780             |
| Wyoming       | 3                              | \$6 but augmented benefit not more than 8 percent of high-quarter wages.  | 7                      | 0 0-3             | 25                     | 6                 | Yes   | 500  | 1 620           |

<sup>1</sup> Assuming maximum weeks of total unemployment; weeks of partial unemployment could increase this amount, because full allowance is paid for each week of partial unemployment; in Maryland, depends on base-period wages. See footnote 3.

<sup>2</sup> Same maximum weekly benefit amount with or without dependents' allowance.

<sup>3</sup> Dependents' allowances included within the duration formula. Claimant with maximum weekly benefit and maximum allowance may receive full 26 weeks of benefits if he has base-period wages of \$3,432. Weeks reduced for other claimants with dependents' allowances.

<sup>4</sup> Average weekly wage figured as 1/2 of 2 highest quarters' wages or 1/3 of high quarter if no wages in second quarter. Minimum allowance figured as

1/2 of 2 quarters' wages of \$37.50 (1/4 of qualifying wage) up to 2 quarters of \$119.99 (maximum high-quarter wages for minimum weekly benefit amount). Maximum allowance figured as 1/3 of \$480 (minimum high-quarter and qualifying wages for maximum weekly benefit amount) and of \$3,000 (maximum taxable wages). Maximum potential benefits in benefit year include dependents' allowances for each week of benefits; highest amount paid thus far is at rate of \$51 per week or \$1,173 per benefit year.

<sup>5</sup> Dependents' allowance considered part of weekly benefit amount. Partially unemployed claimant gets 1/2 weekly benefit amount, and therefore, only 1/2 dependents' allowance.

<sup>6</sup> Depending on high-quarter wages of claimant qualifying for minimum weekly benefit.

ferent benefits allowed from State to State for the same amounts of base-period and high-quarter wages in terms of five hypothetical claimants. These hypothetical claimants have high-quarter wages progressing from \$200 to \$850. Their base-period wages range from twice the high-quarter wages of the claimant with lowest assumed wages (\$400) to maximum taxable wages (\$3,000) that are equal to more than 3 1/2 times the high-quarter wages of the claimant with highest hypothetical high-quarter wage. In the States with annual-wage formulas, the base-period wages alone determine both weekly benefit amounts and maximum potential duration of benefits.

In a few States, it was necessary to make certain assumptions concerning the distribution of wages in the quarters of the base period in order to compute benefits payable. By the terms of the hypothetical wages, all

claimants have wages in at least 2 quarters, as required in 10 States. It is assumed that they all have wages in 3 quarters, as required in Missouri. Although Missouri has an 8-quarter base period, it is assumed that these claimants' wages were earned in the last 4 quarters, and their benefits have been computed on these wage credits alone; had these wages been duplicated in the prior year, all these claimants would have had maximum potential benefits in the benefit year instead of the weeks reported in table 9.

In Michigan and Wisconsin the weekly benefit amount depends on the average weekly wages, and duration of benefits depends on the number of weeks worked. For the purposes of table 9, it was assumed that the high quarter represents 13 weeks of work, and that all the base-period wages were earned at the same rate. Had other assumptions been

made, the entries for these States would have been different, but the maximum potential benefits would be only slightly affected. For example, if Claimant A had averaged \$15.30 a week in the high quarter (as assumed in the table), but had worked at \$10 a week for 20 more weeks, he would have been eligible under the Michigan law for weekly benefits of \$8 for 20 weeks instead of \$10 for 17 1/2 weeks. On the other hand, if he had worked at higher pay for fewer weeks but not less than 14 weeks, his weekly benefit would have been higher and his weeks of benefits would have been reduced accordingly. Ohio requires an individual to have had 14 weeks of employment and \$240 in wages during his base period to be eligible for benefits. It is not necessary to assume any specified number of weeks of employment in the high quarter; it is assumed that each claimant has at least 14 weeks within the base period. Inasmuch as Indiana and Minnesota require recent employment experience in terms of specified amounts of wages in the last 2 quarters of the base period, it is assumed that the wages of each hypothetical claimant include such recent wages.

*Two low-wage claimants.*—A is a claimant with high-quarter wages approximating the amount earned by not more than 5 percent of the claimants in all States in 1948. His base-period earnings of \$400, twice his high-quarter earnings, make him an insured worker in all States except Washington, which requires at least \$600. His \$200 high-quarter wages (\$15 a week if he has steady employment in that quarter) entitle him to the State's minimum weekly benefits of \$8 in Connecticut and Nevada, \$10 in four States, and \$15 in Oregon. In 43 States with minimum statutory weekly benefits of 50 cents to \$10, A's weekly benefit would vary from \$7 in Maine to \$14 in Utah with the current adjustment to the cost of living. In the 50 States, Claimant A would be entitled to weekly benefits of less than \$9 in 20 States, of \$9 in seven States, \$10 in 17 States, and more than \$10 in six States.

In 11 States a claimant like A would be entitled to dependents' allowances if he had dependents of the types described earlier. His maximum allow-



ance would vary from \$3 to \$8, depending on the State's formula; his basic benefits of \$8 to \$11 would be increased to \$12 in three States, \$13 in one, \$14 in one, and \$16 in six.

If A remained unemployed and eligible, he could draw benefits for from 6+ weeks in Oregon to 26 weeks in New York. In 20 States he would be entitled to 10 but less than 15 weeks; in 16 States, to 15 but less than 20 weeks; in 12, to 20 but less than 25 weeks. Among the States in which duration is computed on the basis of the individual's wages, he would be eligible for the statutory minimum duration of 15 weeks in Utah, and for the maximum potential duration of 20 weeks in the District of Columbia and New Mexico. In Alaska and Maryland he would have his potential weeks of benefits reduced if he drew dependents' allowances.

The most that a claimant like A could draw in a benefit year would vary from \$80 in Texas to \$267 in Ohio. In Virginia such benefits would be \$96; in 29 States, \$100 but less than \$150; in 13 States, \$150 but less than \$200; in five States, \$200 but less than \$250; in New York, \$260. In Alaska and Maryland, A's maximum potential benefits would be the same whether he had any dependents or not. In the other nine States with such allowances, his basic benefits of \$100 to \$267 would be increased to a range of \$160 to \$392.

Claimant B has high-quarter wages of \$325 (an average of \$25 per week) and base-period wages of \$750, proportionately more outside the high quarter than A. Such a claimant would be an insured worker in all States. His basic weekly benefit amount would vary from \$10 in Maine to \$21 in Utah with its cost-of-living allowance. In the largest number of States (15), it would be \$13, and in the median State, \$14.

B's maximum weeks of benefits would vary from 11 in Wyoming to 26 in New York. In 18 States his maximum duration would be less than 15 weeks; in 17 States, more than 20 weeks; in the median State, 18 weeks. In the States with individual duration, B would have the statutory minimum duration (15 weeks) in Utah and the maximum duration in Alabama, Ar-

kansas, the District of Columbia, Michigan, New Mexico, and Ohio.

B's maximum potential benefits in a benefit year vary from \$150 in Texas to \$416 in Ohio. In 23 States the maximum would be less than \$250; in seven States, more than \$300; in the median State, \$250.

Dependents' allowances may increase B's weekly benefit (\$13 to \$17) by \$3 to \$11, so that his augmented weekly benefit would be \$18 to \$28. They may increase his maximum potential benefits from a range of \$187 to \$416 to a range of \$253 to \$546 in the nine States where potential benefits are increased by dependents' allowances.

*The middle claimant.*—Claimant C has high-quarter wages of \$475 (an average of \$36 a week if it was a quarter of full employment) and base-period wages of \$1,300. For the country as a whole, his high-quarter wages are below the average. His weekly benefit would vary from \$15 in Florida to \$25 in Utah. In the largest number of States (19) he would be eligible for \$19; in 11 States, for less than \$19, and in 21 States, for \$20 to \$25. In 13 States he would be eligible for the State's maximum weekly benefit of \$15 to \$25.

C's maximum weeks of benefits in a benefit year would vary from 12 in Arizona to 26 in New York. Only in 23 States would he be entitled to benefits for 20 weeks or more. In 12 States with individual duration his maximum duration would be the State's maximum of 16 to 26 weeks.

C's maximum potential basic benefits would vary from \$240 in Arizona and Florida to \$572 in California. In 18 States his maximum potential benefits would be less than \$350; in 16 States, \$350 but less than \$400; in 17 States, \$400 or more. In eight States where he would be eligible for the State's maximum weekly benefit amount and maximum weeks of benefits, his benefits would vary from \$240 to \$400. However, in 13 States where he would not be entitled to the State's maximum potential benefits, he would be entitled to more than \$400.

With maximum compensable dependents, Claimant C's weekly benefit would be increased by \$5 to \$15 in 10 States; in the District of Columbia he would get the same maximum (\$20)

with or without dependents. In the 10 States his basic benefits would range from \$18 to \$24; his augmented benefits, from \$26 to \$39. His maximum potential benefits in a benefit year would not be increased, and his potential weeks of benefits would be decreased in Alaska and Maryland. In the other eight States his maximum potential benefits would be increased from a range of \$240 to \$546 in basic benefits to a range of \$312 to \$676 in augmented benefits.

*Two high-wage claimants.*—Claimant D is a comparatively high-wage claimant; only a third of the covered workers had higher wages in their high quarter in 1948. His high-quarter wages are \$650, or \$50 a week; his base-period wages of \$2,000 represent more than 3 quarters of full-time work. He would be entitled to basic weekly benefits varying from \$15 in Florida to \$26 in New York; in the median State to \$22. In 44 States he would get the State maximum; in most of these States with a high-quarter formula, the State maximum reduces his benefit amount as computed. In six States with annual-wage formulas and maximum weekly benefits of \$25, D's annual earnings of \$2,000 would entitle him to only \$20, \$21, or \$22. In Wisconsin, with the assumptions stated on page 20, D's average weekly wage of \$50 a week would give him weekly benefits of \$25, \$1 less than the State maximum.

Because of the variety of State formulas, Claimant D would be entitled to weeks of benefits for total unemployment, varying from 12 in Arizona to 26½ in Wisconsin; in the median State, he would be entitled to 20 weeks. In nine States his maximum duration would be less than 20 weeks; in eight States more than 25.

In 42 States, Claimant D would be entitled to maximum weeks of benefits. In six States with variable duration and maximum duration of 25 or 26 weeks, his base-period wages would entitle him to only 20, 21, or 22 weeks; in Pennsylvania with a maximum of 24 weeks, Claimant D could qualify for only 23 weeks, and in Utah with a maximum of 20, for only 19 weeks.

The maximum potential benefits to which Claimant D would be entitled would vary from \$240 in Arizona and

Florida to \$676 in New York. In eight States, these benefits would be less than \$400; in 22 States, \$500 or more; and in eight of these 22 States, \$600 or more; in the median State, \$480. In 37 States, Claimant D's maximum potential basic benefits would be at the State's maximum, with benefits ranging from \$240 to \$676. In the other 14 States he would miss the maximum potential benefits by \$25 to \$163. In these States, with maximum potential benefits ranging from \$500 to \$689, D's maximum potential benefits would range from \$400 to \$662.50.

With maximum compensable dependents, Claimant D's high-quarter wages would entitle him to the maximum augmented benefits (\$26 to \$40) in nine States that provide such allowances. In Massachusetts, if his high-quarter wages were duplicated in a second quarter and if he had more than 12 dependent children under age 18, he would be entitled to augmented benefits of \$50 per week. In eight States his maximum potential benefits would be increased from a range of \$240 to \$650 to a range of \$312 to \$1,150; in Maryland and Alaska, with maximum weekly dependents' allowances, his weeks of benefits would be reduced to 15+.

E is a high-wage claimant with the maximum taxable base-period wages (\$3,000) and high-quarter wages of \$850. He is entitled to maximum basic weekly benefit, maximum statutory weeks of benefits, and maximum potential benefits in the benefit year in all States. Hence the basic benefit entries for E are comparable to the maximum amounts indicated in tables 1 and 4.

With maximum compensable dependents, in 10 States E's basic weekly benefit of \$20 to \$25 is increased by \$5 to \$15 or more to a range of \$26 to

\$40, and in nine States his potential benefits would be increased from \$240 to \$650 to a range of \$312 to \$1,173. The \$51 per week and \$1,173 per year to which he would be entitled in Massachusetts if he had 13 dependent children under age 18 are not the maximum payable under the law but the maximum paid thus far; if the number of his dependents was larger, his dependents' allowances would be larger. In Alaska, dependents' allowances would decrease Claimant E's maximum potential weeks of benefits by increasing his weekly benefit amount without increasing his maximum potential benefits. In Maryland, Claimant E, with dependents, could receive only \$75 more than if he had no dependents, since his maximum potential augmented benefits are limited to  $\frac{1}{4}$  of his base-period wages. Receipt of maximum weekly dependents' allowances would reduce his weeks of benefits from 26 to 22+.

### *Effect of Diversity*

It should be clear that the trend in State laws is not toward uniformity but toward greater and greater diversity. Under the present State laws the maximum potential benefits for the lowest-wage claimant who qualifies for benefits are greater in New York (\$260) than the maximum basic benefits payable to any claimant in Arizona or Florida. Table 9 shows instance after instance where a claimant with the same wage credits may get more than twice as high basic weekly benefits, more than three times as much potential annual benefits, and more than four times as many weeks of benefits in the high State as in the low State. Furthermore, the "high" and "low" States cited above show that some State formulas give high benefits in one respect and low in an-

other, or high at one level and low at another.

In the field of disqualification, diversities are as great. A claimant disqualified for voluntary leaving in Arizona may have his benefits postponed for 4 weeks; in Colorado a claimant similarly situated may have a disqualification five times as long and in Texas six times as long and in addition have all his wage credits for a year wiped out.

Nor are the seeming inequities limited to claimants. An employer whose reserve is 7 percent of his annual or average annual pay roll is entitled to a contribution rate of 2.7 in three States (Kentucky, North Carolina, and South Dakota) and to a rate of less than 1 percent in seven States.<sup>16</sup> If his reserve increases to 10 percent of his pay roll he will be entitled to a contribution rate of 1.9 percent in Idaho and to a zero rate in four States (Colorado, Hawaii, South Dakota, and Wisconsin).

This variety among all the provisions of State laws—coverage, benefits, disqualification, experience rating, tax rates—and the resultant complexities of interpretation and administration are one cause of misunderstanding and criticism of the program. For employers with multi-State operations—and tax and reporting responsibility—the divergent State systems and the seeming interstate competition are confusing. For interstate workers who must file claims for benefits in one State for determination under the law of another State or who must appeal their benefit rights in a distant State, the system inevitably leads to delays and misunderstanding.

<sup>16</sup> The District of Columbia, 0.1; Nebraska, 0.5; Kansas, 0.85; Colorado, New Jersey, Ohio, and South Dakota, 0.9 percent.