

# State Unemployment Insurance Legislation, 1953\*

*Amendments to the unemployment insurance laws adopted by the State legislatures in 1953 centered on benefit rates, disqualifications, and experience rating. A summary of the changes in these and other provisions governing the unemployment insurance programs is presented in the following pages.*

UNEMPLOYMENT insurance legislation enacted in 1953, like that in the past few years, presents a mixed picture of increases in benefit levels coupled with more restrictive disqualification provisions and changes in experience rating to permit assignment of lower tax rates. Presumably these changes reflect the greater concentration of public attention on certain aspects of the program's operations and were designed to accomplish specific purposes. Weekly benefit amounts were raised in line with increases in wage and price levels; disqualification provisions were tightened in an attempt to bar payment of benefits to claimants or classes of claimants under certain conditions; and, on the basis of rising reserves and low benefit costs, the tax burden on employers was lowered. Twenty-six States modified their benefit provisions, most of these in an upward direction; 25 States changed their experience-rating provisions; and 24 amended the language of their disqualifications.

All 46 State legislatures that met in 1953, with the exception of Utah, had before them proposed amendments to the unemployment insurance law.<sup>1</sup> While more than 1,500 such amendments were dropped into the legislative hoppers, less than 200 were finally enacted into law. In only four States—Delaware, Michigan, Missouri, and South Carolina—of those considering unemployment insurance bills did the legislatures adjourn without making any change in their laws. The more important of the changes that were enacted are de-

scribed in this article; the benefit provisions, as of December 1, 1953, are summarized in table 1. Several of the amendments will not be fully effective until some time in 1954.

## Coverage

As in the past few legislative sessions, little attention was given to extending the protection of unemployment insurance to groups now excluded. Of the changes in the definition of employment adopted in 15 States, amendments were significant in only five States.

Connecticut provided mandatory coverage for State employees and authorized elective coverage for employees of its political subdivisions. Benefit payments made to such employees are to be financed on a reimbursable rather than a contributory basis. Wisconsin broadened its coverage of State employees to include those paid on an annual salary basis and changed from a contributory to a reimbursable basis of financing, similar to that used in New York. The State of Washington extended coverage to employees of public utility districts and public power authorities.

Florida and South Dakota extended the coverage of their laws to include large seasonal operations that could not previously be covered, though they had more than eight workers, because they did not operate for as long as 20 weeks.

During the 1953 legislative sessions, 12 States amended in part their definitions of "employment" and "wages" to accord with the 1950 changes in the definitions of these terms in the Federal Unemployment Tax Act. Thirty-three States, altogether, have made such changes since 1950. Not all the amended State definitions are completely consistent with the Fed-

eral definitions, however. Consequently the types of employment covered under some State laws will be more inclusive than those covered by the Federal Act and those covered under other State laws will be less inclusive.

## Benefit Provisions

Twenty-six States amended their benefit provisions in one or more respects, with most of the amendments increasing benefits—at least for some claimants. At the same time, the changes in some State laws will reduce the benefit rights of certain claimants or exclude from protection certain workers, usually those with low earnings, who would have been eligible under the former provisions.

*Base period and benefit year.*— Vermont changed from a uniform to an individual base period<sup>2</sup> and benefit year<sup>3</sup> with a lag of 4–7 months between them. Alaska changed from an individual to a uniform base period and benefit year; the benefit year begins with the first full week in July, and the base period is the preceding calendar year. In Massachusetts the base period—formerly the last 4 quarters ending not less than 4 months before the beginning of the benefit year—is to be the first 4 of the last 5 completed calendar quarters. North Carolina also changed its base period. The period had been defined as the preceding calendar year for benefit years beginning between July 1 to December 31, and as the next to the last calendar year for benefit years beginning between January 1 and June 30. The amendment makes the base period the first 4 of the last 6 completed calendar quarters.

The lag period between the end of the base period and the beginning of the benefit year was increased in

<sup>2</sup> The period of covered employment that is used in determining a worker's benefit rights.

<sup>3</sup> The 1-year period in which a worker may draw the benefits to which he has been found entitled on the basis of his benefit rights in the preceding base period.

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<sup>1</sup> No changes in the District of Columbia law were considered by Congress in 1953.

Alaska and reduced in the other three States. The shorter the lag period is, the more nearly can benefits reflect current wage loss, because a worker's benefits are based on more up-to-date wage experience.

*Qualifying wages or employment.*—To be entitled to benefits, a worker must have earned at least a specified amount of wages or have worked in at least a minimum number of weeks, or both, within his base period. In 17 States the qualifying earnings or employment provisions were amended in 1953.

Eleven of these States increased the minimum qualifying wage requirement; in seven<sup>4</sup> the increase was the result of an increase in the minimum weekly amount. Alaska and Connecticut increased their flat qualifying amounts—Alaska from \$150 to \$300 and Connecticut from \$240 to \$300; in the latter State, a new requirement was added—that the worker claiming benefits for a second benefit year must have earned at least \$150 since the beginning of his previous benefit year.

Rhode Island changed from a flat qualifying requirement of \$300 to 30 times the weekly benefit amount (a range of \$300–750); thus, all individuals whose weekly benefit amount is more than the minimum must have earned more than under the old formula to qualify, and all individuals will have to have had employment in more than 1 quarter, except for those with earnings of \$750 or more in 1 quarter.

Tennessee formerly required earnings equal to 25 times the weekly benefit amount at the minimum and 30 times for all other benefit amounts. It now requires earnings equal to 40 times the weekly benefit rate for amounts from \$5 to \$15 and 50 times the weekly benefit for amounts from \$16 to \$26. Approximately 20–26 weeks of work are thus necessary to qualify—one of the most stringent qualifying requirements in the country. Montana, where base-period earnings equal to at least 30 times the weekly benefit amount had been necessary, changed to a requirement of 1½ times high-quarter earnings.

Three States retained their former basic qualifying requirements but added provisions that will make it more difficult for some individuals to qualify. Nebraska changed from a flat qualifying requirement of \$300 to a requirement that the individual must have earned at least \$150 in wages in each of 2 quarters. Such a provision will bar some individuals who have earned considerably more than \$300.

Oklahoma retained the qualifying requirement of earnings equal to 20 times the weekly benefit amount but added a provision that some wages must have been earned in at least 2 quarters. Since the weekly benefit is computed as 1/20 of wages in the high quarter, this change will mean that all workers must actually have base-period earnings of more than 20 times their weekly benefit amount in order to qualify for benefits.

Vermont kept its qualifying requirement of earnings equal to 30 times the weekly benefit amount but added that 1/3 of the qualifying wages must have been earned in the third and fourth quarters of the base period. For those with full-time employment in the first half of the base period, the qualifying requirement may be as much as 57–64 times the weekly benefit amount.

Georgia, Ohio, and South Dakota adopted slightly more liberal qualifying requirements for some claimants.

*Maximum weekly benefit amount.*—As in the past two legislative sessions, the emphasis in 1953 was on adjusting the maximum weekly benefit amount to reflect the higher wage levels rather than on extending the duration of benefits. Twenty States raised the basic maximum weekly benefit amount by amounts varying from \$1 to \$6. Alaska increased its maximum weekly benefit amount to \$35; Wisconsin to \$33; 9 States<sup>5</sup> to \$30; Colorado and Oklahoma to \$28; Maine to \$27; Georgia, Nebraska, North Dakota, and Tennessee to \$26; South Dakota to \$25; and Montana to \$23. Of these 20 States, 18 raised the amount of wages that the claimant must have earned to qualify for the new maximum, and an additional

State (Rhode Island), which did not increase its maximum, also increased the amount of earnings necessary to qualify for it. In some cases, as shown in table 2, the increases were substantial, and disproportionate to the increase in benefit rates as compared with other States.

Even with the adjustments enacted in the 1953 legislative sessions the maximum basic weekly benefit is more than 50 percent of the average weekly wages of all covered workers in the State only in Mississippi, New Hampshire, and North Carolina. If maximum augmented weekly benefits—that is, benefits including maximum dependents' allowances—are considered, the maximum weekly benefit is more than 50 percent of the average weekly wage in seven additional States.<sup>6</sup> It is interesting to note that, while in 1953 the maximum weekly benefit for claimants not entitled to a dependents' allowance was less than 50 percent of the average weekly wage in 48 States, in 1939 the maximum weekly benefit was more than 50 percent of the average weekly wage of covered workers in 48 States.

At the end of the 1953 legislative sessions the maximum basic weekly benefit amounts ranged from \$20 to \$35, with maximum augmented weekly benefits as high as \$70, distributed as follows:

Maximum weekly benefit	Without dependents' allowance		With maximum dependents' allowance	
	Number of States	Percent of covered workers <sup>1</sup>	Number of States	Percent of covered workers <sup>1</sup>
\$45 or more			4	6.3
36–38			2	2.0
32–35	2	2.3	3	11.6
30	15	43.7		
26–28	14	23.8	1	0.4
25	11	19.0		
22–23	4	3.8		
20	5	7.4	1	0.6

<sup>1</sup> Average monthly covered employment in 1952.

Twenty States, with 55.0 percent of the covered workers, now provide a maximum weekly benefit of \$30 or more, including the maximum dependents' allowance in three of these

<sup>4</sup> Maine, Minnesota, Oklahoma, Vermont, West Virginia, Wisconsin, and Wyoming.

<sup>5</sup> Connecticut, Maryland, Minnesota, Nevada, New Hampshire, New Mexico, Ohio, West Virginia, and Wyoming.

<sup>6</sup> Alaska, Connecticut, Maryland, Massachusetts, Nevada, North Dakota, and Wyoming.

Table 1.—Significant benefit provisions of State unemployment insurance laws, December 1, 1953

State	Qualifying wages or employment in base period <sup>1</sup>	Weekly benefit amount <sup>1</sup>		Earnings disregarded in computing weekly benefits for partial unemployment <sup>4</sup>	Total benefits payable in benefit year					
		Computation (fraction of high-quarter wages, unless otherwise indicated) <sup>2</sup>	For total unemployment		Computation (fraction of total base-period wage credits unless otherwise indicated) <sup>5</sup>	Minimum		Maximum		
			Minimum <sup>3</sup>			Maximum <sup>3</sup>	Amount	Weeks of total unemployment <sup>6</sup>	Amount <sup>3</sup>	Weeks of total unemployment <sup>6</sup>
Ala.	35 times wba and \$112.01 in 1 quarter.	1/26	\$6.00	\$22.00	\$2	1/3	\$70.00	11+	\$440	20
Alaska	\$300	2.1-1.2% of annual wages, plus 20% wba for each dependent up to wba.	8.00-10.00	35.00-70.00	\$10	<sup>3</sup> 32-30%	96.00	12	910-1,820	26
Ariz.	30 times wba and wages in 2 quarters.	1/25 plus \$2 for each dependent up to \$6.	5.00-7.00	20.00-26.00	\$5	1/3	50.00	10	400-520	20
Ark.	30 times wba	1/21-1/27	7.00	22.00	\$3	1/3	70.00	10	352	16
Calif.	30 times wba or 1½ times high-quarter wages, whichever is less, but not less than \$300.	1/19-1/23	10.00	25.00	\$3	1/2	150.00	15-12+	650	26
Colo.	30 times wba	1/25	7.00	<sup>3</sup> 28.00-35.00	\$3	1/3	70.00	<sup>6</sup> 10-26	<sup>3</sup> 560-910	<sup>6</sup> 20-26
Conn.	\$300 and wages in 2 quarters.	1/26, plus \$3 for each dependent up to 1/2 wba.	8.00-11.00	30.00-45.00	\$3	1/3	120.00	15-10	780-1,170	26
Del.	30 times wba	1/25	7.00	25.00	\$2	1/4	77.00	<sup>6</sup> 11	650	26
D. C.	25 times wba up to \$250.	1/23, plus \$1 for each dependent up to \$3.	6.00-7.00	<sup>3</sup> 20.00	2/5 of wba	1/2	75.00	12+-10+	<sup>3</sup> 400	20
Fla.	30 times wba and wages in 2 quarters.	1/18-1/26	5.00	20.00	\$5	1/4	38.00	7+	320	16
Ga.	35-45+ times wba and \$100 in 1 quarter.	1/25	5.00	26.00	\$5	Uniform	100.00	20	520	20
Hawaii	30 times wba	1/25	5.00	25.00	\$2	Uniform	100.00	20	500	20
Idaho	25-38 times wba; \$150 in 1 quarter and wages in 2 quarters.	1/19-1/25	10.00	25.00	1/2 of wba	40-26%	100.00	10	650	26
Ill.	\$400	1/20	10.00	27.00	\$2	<sup>5</sup> 46-33%	185.00	<sup>6</sup> 18+-10	702	26
Ind.	\$250 and \$150 in last 2 quarters.	1/25	5.00	27.00	\$3 from other than regular employer.	1/4	62.00	12+-6+	540	20
Iowa	20 times wba	1/20	5.00	26.00	\$3	1/3	33.33	6+	520	20
Kans.	\$100 in 2 quarters or \$200 in 1 quarter.	1/25 up to 50% of State average weekly wage, but not more than \$28.	5.00	28.00	\$2	1/3	34.00	6+	560	20
Ky.	\$300	2.6-1.2% of annual wages.	8.00	28.00	1/5 wages	Uniform	208.00	26	728	26
La.	30 times wba	1/20	5.00	25.00	\$3	1/3	50.00	10	500	20
Maine	\$400	2.0-0.9% of annual wages.	9.00	27.00	\$2	Uniform	180.00	20	540	20
Md.	30 times wba and \$156 in 1 quarter.	1/26, plus \$2 for each dependent up to \$3.	6.00-8.00	30.00-38.00	\$5	1/4	45.00	7+	780-988	26
Mass.	\$500	1/20, plus \$2 for each dependent, total not to exceed average weekly wage.	7.00-9.00	25.00-(?)	0	3/10	150.00	21+-6	650-(?)	26
Mich.	14 weeks of employment at more than \$8.	67-53% of average weekly wage plus \$1 or \$2 per dependent, by schedule \$1-8.	6.00-7.00	27.00-35.00	Up to 1/2 basic wba.	2/3 weeks of employment.	57.00	9+	540-700	20
Minn.	\$400 with \$300 in 1 quarter and \$100 in another quarter, or \$500.	2.6-1.0% of annual wages.	11.00	30.00	\$5	<sup>3</sup> 41-26%	165.00	15	780	26
Miss.	30 times wba	1/26	3.00	30.00	\$2	Uniform	48.00	16	480	16
Mo.	Wages in 2 quarters.	1/25	7.50	25.00	\$4	1/3	(?)	(?)	600	24
Mont.	1½ times high-quarter wages and \$170 in high quarter.	1/25-1/28	7.00	23.00	(?)	Uniform	140.00	20	460	20
Nebr.	\$300 with \$150 in each of 2 quarters.	1/21-1/23	10.00	26.00	Up to 1/2 wba	1/3	100.00	10	520	20
Nev.	30 times wba	1/25, plus \$3 for 1 dependent and \$5 for each additional dependent up to \$20, but total may not exceed 6% of high-quarter wages.	\$8.00-11.00	\$30.00-50.00	\$3	1/3	\$80.00	10	\$780-1,300	26
N. H.	\$300	2.2-1.2% of annual wages.	7.00	30.00	\$3	Uniform	182.00	26	780	26
N. J.	17 weeks of employment at \$15 or more.	2/3 of average weekly wage.	10.00	30.00	Up to ½ wba.	3/4 weeks of employment.	130.00	13	780	26

See footnotes at end of table.

**Table 1.—Significant benefit provisions of State unemployment insurance laws, December 1, 1953—Continued**

State	Qualifying wages or employment in base period <sup>1</sup>	Weekly benefit amount <sup>2</sup>		Earnings disregarded in computing weekly benefits for partial unemployment <sup>4</sup>	Total benefits payable in benefit year					
		Computation (fraction of high-quarter wages, unless otherwise indicated) <sup>3</sup>	For total unemployment		Computation (fraction of total base-period wage credits unless otherwise indicated) <sup>5</sup>	Minimum		Maximum		
			Minimum <sup>4</sup>			Maximum <sup>3</sup>	Amount	Weeks of total unemployment <sup>6</sup>	Amount <sup>3</sup>	Weeks of total unemployment <sup>8</sup>
N. Mex.	30 times wba and \$156 in 1 quarter.	1/26	10.00	30.00	\$3	2/5	120.00	12	720	24
N. Y.	20 weeks of employment at average of \$15 or more.	67-52% of average weekly wage.	10.00	30.00	(?)	Uniform	260.00	26	780	26
N. C.	\$250	2.4-1.0% of annual wages.	7.00	30.00	\$2	Uniform	182.00	26	780	26
N. Dak.	30 times wba and wages in 2 quarters.	1/24, plus \$1 or \$2 per dependent, by schedule \$2-6.	7.00-9.00	26.00-32.00	\$3	Uniform	140.00	20	520-640	20
Ohio	20 weeks of employment and \$240.	1/17-1/25, plus \$2.50 for each dependent up to \$5.	10.00-12.50	30.00-35.00	(4) \$2	1/2	120.00	12-9+	780-910	26
Okla.	20 times wba and wages in 2 quarters.	1/20	10.00	28.00	\$7	1/3	67.00	6+	616	22
Oreg.	\$400	3.4-1.4% of annual wages.	15.00	25.00	\$2	1/3	133.00	8+	650	26
Pa.	30 times wba and \$120 in 1 quarter.	1/25	10.00	30.00	\$6	43-34%	130.00	13	780	26
R. I.	30 times wba	1/20	10.00	25.00	\$5	35-27%	104.00	10+6+	650	27
S. C.	30 times wba and \$100 in 1 quarter.	1/20	5.00	20.00	\$1	Uniform	90.00	18	360	18
S. Dak.	1 1/2 times high-quarter wages and \$150 in 1 quarter or wages in 2 quarters if base-period wages are \$800 or more.	1/20-1/23	8.00	25.00	\$3	36-22%	80.00	10	500	20
Tenn.	50 times wba and \$75 in 1 quarter (40 if wba is under \$16).	1/21-1/25	5.00	26.00	\$5	Uniform	110.00	22	572	22
Tex.	\$200 and wages in 2 quarters.	1/26	7.00	20.00	\$3	1/5	40.00	5	480	24
Utah	19 weeks of employment and \$400 base-period wages.	1/20	10.00	27.50	\$6	40-29%	160.00	6 16-15	715	26
Vt.	30 times wba and \$50 in 1 quarter (effective 4/4/54, 30 times wba and \$200 in 1 quarter and 1/5 of wages in last 2 quarters).	1/18-1/26 (effective 4/4/54, 1/22-1/26.	6.00 (effective 4/4/54, \$10).	25.00	\$3	Uniform	120.00 (effective 4/4/54, \$200).	20	500	20
Va.	25 times wba (16+ if wba is \$5).	1/25	6.00	22.00	\$2	1/4	36.00	6	362	16
Wash.	\$600	1.5-1.2% of annual wages.	10.00	30.00	\$8	25-31%	150.00	15	780	26
W. Va.	\$500	1.8-1.0% of annual wages.	10.00	30.00	\$5	Uniform	240.00	24	724	24
Wis.	14 weeks of employment at average of \$13 or more.	69-51% of average weekly wage.	10.00	33.00	Up to 1/2 wba. <sup>4</sup>	7/10 weeks of employment.	100.00	10	374.50	26 1/2
Wyo.	26 times wba and \$200 in 1 quarter.	1/21-1/25, plus \$3 for each dependent up to \$6, but total may not exceed 8% of high-quarter wages.	10.00-13.00	30.00-36.00	\$5	31-26%	80.00	8	780-936	26

<sup>1</sup> Weekly benefit amount is abbreviated throughout the table as wba.

<sup>2</sup> When State uses a weighted high-quarter formula, annual-wage formula, or average-weekly-wage formula, approximate fractions or percentages are taken at midpoint of lowest and highest normal wage brackets. When dependents' allowances are provided, the fraction applies to the basic benefit amount.

<sup>3</sup> When two amounts are given, higher includes dependents' allowances except in Colorado, where higher amount includes 25 percent additional for claimants employed in State by covered employers for 5 consecutive calendar years with wages in excess of \$1,000 per year and no benefits received; duration for such claimants is increased to 26 weeks. Higher figure for minimum weekly benefit amount includes maximum allowance for 1 dependent at minimum weekly benefit. In the District of Columbia same maximum with or without dependents. Maximum augmented payment to individuals with dependents not shown for Massachusetts, since any figure presented would be based on an assumed maximum number of dependents.

<sup>4</sup> In States noted, full weekly benefit is paid if earnings are less than 1/2 weekly benefit; 1/2 weekly benefit amount, if wages are 1/2 weekly benefit but less than weekly benefit. In all States with dependents' allowances except Michigan and Ohio, claimant receives full allowance for weeks of partial unemployment. In Michigan, claimant eligible for 1/2 weekly benefit amount gets 1/2 dependents' allowance; in Ohio, payment of dependents' allowance is limited to 26 weeks.

<sup>5</sup> In States with weighted schedules the percent of benefits is figured at the bottom of the lowest and of the highest wage brackets; in States noted the percentages at other brackets are higher and/or lower than the percentages shown. In Utah, duration is based on average State wage; percentages given apply for benefit years beginning between 4/1/53 and 3/31/54.

<sup>6</sup> When two figures are given, higher applies to claimants with minimum weekly benefit amount and minimum qualifying wages except in Colorado, where some claimants are entitled to 26 weeks (see footnote 3); if qualifying wages are concentrated largely or wholly in the high quarter, weekly benefit for claimants with minimum qualifying wages may be higher and consequently weeks of benefits are less, as indicated by lower figure. In Delaware, statutory minimum; in Illinois and Utah, statutory minimum of 10 and 15 weeks respectively, not applicable at minimum weekly benefit amount.

<sup>7</sup> If benefit is less than \$5, benefits are paid at the rate of \$5 a week; no qualifying wages and no minimum weekly or annual benefits are specified.

<sup>8</sup> No partial benefits paid, but earnings not exceeding the greater of \$7 or 1 day's work of 8 hours are disregarded for total unemployment.

<sup>9</sup> Partial benefits are 1/4 of weekly benefit amount for each of 1-3 effective days. "Effective day" is defined as the fourth and every subsequent day of total unemployment in a week for which not more than \$30 is paid.

States. A maximum of \$22 is found in only three States, with only 3.5 percent of all covered workers. Only five States, with 7.4 percent of the covered workers, now provide a maximum weekly benefit of less than \$22.

*Dependents' allowances.*—No State adopted dependents' allowances during 1953. Of the 11 States having such provisions, Connecticut, Maryland, North Dakota, Ohio, and Wyoming increased the maximum basic weekly benefit amount and thus the maximum augmented benefit amount. The Connecticut increase was from \$36 to \$45, Maryland's from \$33 to \$38, North Dakota's from \$31 to \$32, Ohio's from \$33 to \$35, and Wyoming's from \$31 to \$36.

Alaska and Nevada not only increased the maximum basic weekly benefit but also amended their dependents' allowance provision. In Alaska the limit on the amount of the allowance was raised from 60 percent to 100 percent of the weekly benefit amount, thus providing a maximum augmented benefit of \$70 for a claimant with five dependents. Nevada, which raised the allowance for the second and additional dependents from \$3 to \$5, also increased the limit of the allowance from \$12 to \$20 and the limit on the augmented weekly benefit amount from \$37 to \$50. Since, however, the Nevada law retains the overriding proviso that in no case can the augmented weekly benefit amount exceed 6 percent of high-quarter wages, the increase in the maximum augmented benefit may be more apparent than real for many claimants. Ohio limited payments of dependents' allowances to 26 a year; the restriction will affect claimants who receive benefits for weeks of partial unemployment and who may be paid basic benefits for more than 26 weeks.

*Minimum weekly benefit amount.*—Seven of the 20 States that raised the maximum weekly benefit amount also raised the minimum amount, and Vermont raised the minimum without making any change in the maximum. The increase amounted to \$4 in Oklahoma and Vermont; \$3 in Wyoming; \$2 in Maine, Nebraska, and West Virginia; and \$1 in Minnesota and Wisconsin.

These changes will probably affect

relatively few claimants, since in 1952 only 1.4 percent of all weeks compensated were paid at the minimum benefit rate, while 55.4 percent were compensated at the maximum.

*Weekly benefit formulas.*—In most States the maximum weekly benefit was increased without change in the formula, but in three States the formula was changed. Alaska changed from a formula basing weekly benefits on a fraction of earnings in the base-period quarter of highest earnings to one basing benefits on a fraction of annual earnings.<sup>7</sup> Under the old formula, an individual who earned \$580.01 in 1 quarter and had no other base-period earnings was eligible for a benefit of \$30 (the old maximum) for 8 weeks; under the new formula he will be eligible for a weekly benefit of \$9 for 14 weeks. Base-period earnings of \$2,500 are now required for a weekly benefit of \$30 and 26 weeks' duration.

Montana's change, from 1/22 of high-quarter wages to a weighted schedule of 1/26–1/28 of high-quarter wages, results in a considerably higher earnings requirement. Formerly, an individual who earned \$440 in the high quarter and \$600 in the base period was eligible for a weekly benefit of \$20 for 18 weeks, or total potential annual benefits of \$360. Under the new formula, high-quarter earnings of \$440 will yield a computed weekly benefit of \$16, but base-period earnings of \$600 are insufficient to qualify for benefits at that amount. Since earnings of \$600 are sufficient,

<sup>7</sup> Under a high-quarter formula, the weekly benefit is determined by the amount of the claimant's wages in that calendar quarter of his base period during which his wages were highest. The formula may be in terms of a uniform fraction, with the weekly benefit representing the same proportion of high-quarter wages at all benefit levels, or it may be a weighted schedule, under which the weekly benefits at the lower levels generally represent a higher proportion of the high-quarter wages than do the benefits at the higher levels.

Under an annual-wage formula, the weekly benefit represents a percentage of the claimant's aggregate annual wages during his base period. In all States where such a formula is in effect, the weekly benefits are determined under a weighted schedule that gives a higher proportion of the annual wages to the claimants at the lower benefit levels.

however, to enable the claimant to obtain a \$15 weekly benefit, the individual will be eligible at that benefit rate for 20 weeks or for total potential annual benefits of \$300. To be eligible for a weekly benefit of \$20 under the new law, the individual must earn at least \$540 in the high quarter and \$810 in the base period.

Wyoming shifted from 1/20 of high-quarter wages to a weighted schedule of 1/21–1/25. Under this amendment, the weekly benefit will be decreased for all claimants whose high-quarter earnings would entitle them to a weekly benefit less than the former maximum and for some who qualified for the maximum.

In contrast, Maine liberalized its annual-wage formula by increasing the weekly benefit by \$1 for each wage bracket, and Minnesota modified its formula by lowering the earnings required for all weekly benefit amounts between \$17 and \$30.

*Benefits for partial unemployment.*—Five States increased payments for weeks of partial unemployment under formulas that provide that the amount paid for a week of partial unemployment is the weekly benefit amount less any wages in excess of a specified amount earned in the week. In Alaska the earnings allowance was raised from \$5 to \$10; in Maryland from \$2 to \$5; in Minnesota from \$3 to \$6; in Oklahoma from \$2 to \$7; and in Wyoming from \$3 to \$5. Pennsylvania increased the partial-earnings allowance from \$5 to \$6 and amended its definition of unemployment to provide that an individual is unemployed in any week in which he works less than full time and earns less than his weekly benefit plus \$6. Thus individuals who work less than full time and earn more than their weekly benefit, but less than their weekly benefit plus \$6, will therefore be able to draw some benefits. Maine, on the other hand, lowered the partial-earnings limit from \$3 to \$2.

*Duration of benefits.*—Only eight States amended their duration provisions—probably because of the greater emphasis upon upward adjustment of weekly benefit amounts—although another factor may have been the short duration of unemployment for most claimants under present condi-

tions. Four of these States, with variable duration, increased the maximum duration to 26 weeks—an increase of 6 weeks for Wyoming, 3 weeks for Massachusetts, and 1 week for Alaska and Minnesota. Under Alaska's new formula, maximum duration is possible only at a weekly benefit amount of \$22 and above.

Two States with uniform duration, Montana and West Virginia, increased duration from 18 to 20 weeks and from 23 to 24 weeks, respectively. Connecticut increased duration for all claimants except those eligible for the maximum of 26 weeks by increasing the duration fraction from 1/4 to 1/3 of base-year earnings. Maryland increased duration for claimants with dependents by providing that dependents' allowances are not to be considered in the duration formula.

Along with the changes in the arithmetic of the formulas, minimum duration was increased in Alaska from 8 to 12 weeks, in Connecticut from 6 to 8 weeks, in Minnesota from 14 to 15 weeks, and in Wyoming from 6 to 8 weeks.

At the end of 1953, the potential maximum duration of benefits varied from 16 to 26½ weeks.

Maximum number of weeks	Number of States		Percent of covered workers in States <sup>1</sup>
	Uniform duration	Variable duration	
Total	14	37	100.0
26-26.5	4	19	67.2
22-25	2	4	10.1
20	6	11	17.4
16-18	2	3	5.3

<sup>1</sup> A average monthly covered employment in 1952.

**Benefit rights of ex-servicemen.**—Ten States took some legislative action on provisions concerned with special benefit rights for ex-servicemen. One State enacted, one changed, and three extended provisions preserving the benefit rights of individuals entering the Armed Forces, while five States repealed such provisions.

### Eligibility for Benefits

As in 1951, only three States made any changes during 1953 in their eligibility requirement, aside from qualifying earnings.

Arkansas and Oklahoma amended

**Table 2.—Amounts required to qualify for maximum weekly benefit amounts under old and new provisions, 19 States**

State	Former maximum weekly benefit amount	Earnings required	New maximum weekly benefit amount	Earnings required
Alaska <sup>1</sup>	\$30.00	\$580.01	\$35.00	\$3,000.00
Colorado	22.75	682.50	28.00	840.00
Connecticut	24.00	612.00	30.00	768.00
Georgia	20.00	850.00	26.00	1,183.00
Maryland	25.00	750.00	30.00	900.00
Minnesota	25.00	2,750.00	30.00	3,000.00
Montana	20.00	600.00	23.00	945.00
Nebraska	24.00	525.01	26.00	375.01
Nevada	25.00	750.00	30.00	900.00
New Hampshire	28.00	2,200.00	30.00	2,400.00
New Mexico	25.00	750.00	30.00	900.00
North Dakota	25.00	750.00	26.00	780.00
Ohio	28.00	(?)	30.00	(?)
Oklahoma	22.00	440.00	28.00	560.00
Rhode Island	25.00	490.00	25.00	750.00
Tennessee	22.00	660.00	26.00	1,300.00
West Virginia	25.00	2,500.00	30.00	3,000.00
Wisconsin	30.00	812.14	33.00	896.14
Wyoming	25.00	625.00	30.00	780.00

<sup>1</sup> Earnings required for former maximum in Alaska under high-quarter wage formula entitled claimant to duration of 8 weeks; earnings required for new maximum under annual-wage formula entitle claimant to 26 weeks.

<sup>2</sup> Total earnings required not specified in law; high-quarter earnings for former maximum, \$671; for current maximum, \$731. Twenty weeks of work in base period required under both laws.

the availability-for-work provision by adding the equivalent of an "active search for work" clause, bringing to 26 the number of States with such statutory requirements. Connecticut added a provision, in keeping with other State labor legislation, that a woman need not be available for work between the hours of 1 a.m. and 6 a.m., thus adding some flexibility in the application of the availability requirement.

### Disqualifications

While a few States made alleviating changes in the statutory disqualification provisions, others added restrictions to the conditions governing disqualification. On balance, the amendments result in provisions somewhat more restrictive than those in effect before the legislative sessions. As in earlier years, however, many of the proposals introduced for more restrictive disqualifications failed of enactment. Of the 24 States amending their disqualification provisions, eight deleted certain causes for disqualification, and 15 added new causes (eight of these providing an administrative disqualification in ad-

dition to the penalty provisions for fraud). Eleven States increased the severity of existing disqualification provisions, and six made them less severe.

The character of the new disqualification provisions is to make it more difficult for disqualified claimants to reestablish their entitlement to benefits by requiring some reemployment and earnings as a condition for lifting the barrier. It is likely that these provisions would have the effect of completely wiping out rights under the program in periods of increased unemployment and decline in work opportunities.

**Voluntary leaving.**—Arkansas, Montana, and Oklahoma made more restrictive their provisions that disqualify for voluntarily leaving work by limiting "good cause" for leaving to causes "attributable to the employer" or "connected with the work," or by completely eliminating the reference to good cause from the provision. Arkansas made an exception to the limitation—"attributable to the employer"—when the employee leaves because of illness, injury, or disability or personal emergency if an effort is made to preserve job rights, and when a wife leaves work to follow her husband to another city, provided she seeks work immediately in the new location.

Oklahoma, in addition to restricting good cause for leaving to that connected with the worker's last work, also lengthened the disqualification period from 3 weeks after the leaving occurred to 6 weeks after the claim was filed. The latter change is significant in itself, aside from the difference in the length of the period; it is especially meaningful if the claimant has no subsequent employment before filing his claim, because it postpones the beginning of the disqualification period until the claim is filed. North Dakota also changed its law to require that the disqualification period begin with the filing of the claim, rather than with the date of the disqualifying act.

Massachusetts changed from a variable period of 4-10 weeks to the duration of the unemployment and until the claimant has earned in each of 4 weeks of covered employment an

amount at least equal to his weekly benefit. Wyoming, which formerly disqualified for 1-5 weeks, with a mandatory reduction of benefit rights, now disqualifies for the duration of the unemployment following the "quit" and until the individual is re-employed for 1 week. Connecticut liberalized its provision somewhat by providing that the disqualification would not apply if the claimant accepted a job while on layoff from his regular job and left when recalled by his regular employer, or if he left work that is outside his regular trade to return to his regular trade. Iowa provided that the disqualification for voluntary leaving does not apply if the individual leaves work to enter the Armed Forces. Rhode Island extended the period of disqualification from 3 weeks to 3-5 weeks.

West Virginia extended its existing disqualification of individuals who leave a job to attend school so that the disqualification will continue until they return to covered employment. Indiana modified an existing provision canceling wage credits of individuals who quit work to marry or because of marital, parental, filial, or other domestic obligations by substituting language disqualifying such individuals for the duration of their unemployment following the quit and until they have earned \$200 in covered employment. Arkansas added a disqualification for leaving to become self-employed, to attend school, or to accept temporary noncovered employment; the disqualification period is to run until the claimant has had paid work for 30 days or more.

*Discharge for misconduct.*—Arkansas substituted a variable disqualification period of 6-10 weeks for a flat period of 10 weeks and, in cases of gross misconduct, provided for disqualification for the duration of the unemployment and until the claimant is employed for 10 weeks at wages at least equaling his weekly benefit amount. Massachusetts replaced its provision disqualifying for 4-10 weeks with one disqualifying for the duration of the unemployment and until the claimant has earned at least his weekly benefit amount in each of 4 weeks in covered employment. Oklahoma changed the disqualification

period from 4 weeks after a discharge to 7 weeks after the claim is filed, and North Dakota changed the beginning date of the disqualification period from the date of the disqualifying act to the date the claim was filed. Rhode Island, which formerly disqualified for a period of 1-10 weeks, now provides for 3-10 weeks. Wyoming changed from 1-5 weeks with reduction in benefit rights to the duration of unemployment, plus 1 week of employment. Ohio added a disqualification for the duration of the claimant's unemployment due to a disciplinary layoff for just cause in connection with his work.

*Refusal of suitable work.*—Wyoming increased the period of disqualification from 1-5 weeks to the duration of the unemployment and until employed for 1 week; in Rhode Island the increase was from 1 week to 3-5 weeks. Montana and Wyoming removed the word "suitable" from the refusal-of-work disqualification, thus permitting disqualification for refusal of any work regardless of its suitability. Wyoming also removed the criteria formerly contained in the State law for determining the suitability of work other than the labor standards required by section 1603 of the Federal Unemployment Tax Act.

*Other disqualifications.*—Eight States<sup>8</sup> added administrative disqualifications for persons filing fraudulent claims, bringing to 46 the number of States with such provisions. Four States<sup>9</sup> added a disqualification for unemployment due to pregnancy; 29 States now have such provisions. Five States added to existing provisions that disqualify claimants or reduce the benefits payable to claimants who are receiving specified types of remuneration, such as pensions. Arkansas added a proviso that disqualification for receipt of a pension does not apply if the worker has contributed toward the pension. Montana repealed its complete disqualification for receipt of retirement benefits under old-age and survivors insurance and added a provision

<sup>8</sup> Alaska, Connecticut, New Hampshire, Rhode Island, South Dakota, West Virginia, New Mexico, and Oklahoma.

<sup>9</sup> Maine, Montana, Oklahoma, and Pennsylvania.

canceling wage credits earned from an employer from whom an individual is receiving a pension. Connecticut, Oklahoma, and West Virginia now provide a disqualification if the claimant is receiving a pension financed by a base-period employer, but if the pension is less than the benefits for which he would have been eligible, the claimant is paid the difference. New Mexico dropped its disqualification for receipt of retirement benefits under old-age and survivors insurance.

Two States changed their labor dispute disqualifications. In Massachusetts the claimant must have earned \$500 before he can again be entitled to benefits after having been disqualified; as long as a labor dispute lasts, wages earned from the employer involved cannot be used for benefit rights. New Hampshire added a provision that the disqualification would be lifted if a work stoppage continues for 2 weeks after the end of the labor dispute.

### *Financing and Experience Rating*

Twenty-six States amended their financing provisions—most of them to permit the assignment of lower tax rates. Nevada became the first State to raise its taxable wage base to \$3,600 from the \$3,000 limit provided in the Federal Unemployment Tax Act and in all the State employment security laws. North Carolina changed its system of experience rating from an employer-reserve account with a partial pool to a pooled-fund, reserve-ratio system. Kentucky is now the only State with a reserve-account system of experience rating.

Of the 13 States that adjusted their experience-rating formulas, Massachusetts, Ohio, South Dakota, and Wyoming modified the rate structure by lowering the fund balance required to put into effect one or more schedules of reduced rates. Fund requirements in New Mexico and North Dakota, formerly related to the amount of benefits paid in the preceding year, were changed to a percentage of taxable wages in specified years. In addition, 11 States made adjustments in their rate schedules or provided additional schedules to per-

mit lower rates for individual employers who meet specified requirements.<sup>10</sup> These adjustments include lower minimum rates in Arkansas, Montana, North Dakota, Ohio, Oklahoma, and Wyoming. Some of the new schedules provide, for employers with relatively poorer experience, a smaller reduction in rates than they previously enjoyed; in Maryland, new schedules were added to increase the rates for all employers eligible for reduced rates when the fund drops to specified levels. New Mexico repealed its penalty rate for employers with unfavorable experience, and Tennessee added a penalty rate.

Arkansas, Connecticut, and Nebraska added a provision preserving the experience of employers who enter the Armed Forces. Nebraska, Ohio, South Dakota, and West Virginia amended their laws to permit allocation to employers' accounts of interest earned on the State's account in the trust fund, and Arizona and North Dakota adopted provisions permitting voluntary contributions under their programs.

Other amendments include the extension in Georgia and the repeal in Minnesota of the "war-risk" contribution provisions; Georgia also provided a special computation date for new employers that allows them to obtain a reduced rate sooner than the regular computation date, provided they have had the required experience. Florida amended its law to require that, when a business changes hands, a successor employer must pay 2.7 percent on wages in excess of 500 per-

cent of either the predecessor's payroll in the year preceding the transfer or his average annual payroll in the 3 years preceding the transfer, whichever is greater. Fourteen States adopted less significant amendments modifying the charging of benefits and omission of charges to individual employers' accounts and changing provisions on the transfer of employer experience when required because a business changes hands.

### **Temporary Disability Insurance**

During 1953, there were several changes in the four State temporary disability laws. In 12 States<sup>11</sup> one or more bills to establish a temporary disability insurance program were considered, but none was enacted. The Minnesota Legislature called for a complete study by the employment security agency, with the advice of a special advisory council, of existing systems of temporary disability insurance and asked for a report to be ready for its next meeting.

The only amendment adopted in New York was a technical provision relating to the enforcement of payments by employers in default. In New Jersey the three amendments enacted were also technical in nature; one relates to computation of the average weekly wage where several employers were involved, another changes the procedures for obtaining judicial review, and a third restricts the private-plan exclusions from coverage.

The Rhode Island changes were

more substantive. The most significant revision was the new qualifying requirement for benefit years beginning after June 30, 1953. The new requirement, like that for unemployment insurance benefits, calls for earnings 30 times the weekly benefit amount. The State also added, in both programs, a 1-year disqualification of individuals convicted in a State court of fraudulent misrepresentation to receive benefits. Other added restrictions relate to payment for part-weeks of disability and for weeks in which workmen's compensation is also paid.

Several changes were made in the California law. The benefit-year concept is eliminated; instead, for each new spell of disability a disability benefit period is established, which continues only during the time an individual is disabled. A 4-quarter base period is established with respect to each period of disability, and the determination of benefit rights, including duration, applies to that disability period. An individual can thus have more than one determination of benefit amount and duration for disability during a 12-month period, and a given quarter's wages can be used in more than one determination. The schedule of weekly rates is changed so that, for any amount of high-quarter wages, the weekly benefit amount is higher for temporary disability insurance than for unemployment insurance. The temporary disability insurance maximum was increased from \$30 to \$35. Hospitalization benefits were raised from \$8 to \$10 a day. The private-plan restrictions against selection of risks adverse to the State fund were made inoperative for 1954 and 1955.

<sup>10</sup> Arkansas, Colorado, Maryland, Montana, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, West Virginia, and Wyoming.

<sup>11</sup> Alaska, Arizona, Connecticut, Hawaii, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Nevada, Ohio, and Pennsylvania.

## *Notes and Brief Reports*

### **Workmen's Compensation Payments, 1952**

Wage loss and medical benefits under workmen's compensation programs amounted to \$787 million in 1952, almost 11 percent more than the 1951 total of \$710 million. This increase was at a less rapid rate than the record rise of the immediately

preceding year (15 percent) and was somewhat less in terms of dollar amounts (\$77 million, in comparison with an increase of \$93 million from 1950 to 1951).

Associated with the slackened rate of increase in payments was a slight drop in the total number of work injuries—compensable and noncompensable. The Bureau of Labor Statistics

estimates that all disabling work injuries totaled 2.0 million in 1952—less than the 2.1 million total in 1951 but higher than the number in 1949 and 1950. The continued increase in payments reflects the higher wages on which cash benefits are now based, in combination with rising costs of hospitalization and medical services.

The Nation-wide increase of slightly more than one-tenth resulted from different rates of increase among the States. Under nine programs, pay-