

ated. These considerations and regard for the basic purposes of social insurance now indicate clear need for change. For purposes of old-age and survivors insurance, there should be some common rule for determining family relationships, whether in

Alaska or Florida, Maine or California. Such a rule, of course, need not affect any legislation the States wish to keep on their books for use in other connections. It should ensure, however, that when a worker

has established and maintained normal family relationships in good faith, and his dependents have suffered the wage loss which the system is designed to compensate, they should receive the protection to which his contributions entitle them.

State Unemployment Compensation Laws of 1945

By Ruth Reticker*

THE AMENDMENTS TO State unemployment compensation laws in the 1945 legislative sessions are of more than usual interest. Forty-six legislatures were in session; 43 will not have a regular session again before 1947. All States expect a testing of the unemployment compensation program in the reconversion period. Thus, these legislative sessions represented for many States the last chance to prepare for the problems of reconversion.

More adequate benefits under these laws had been promised by State employment security administrators when they testified before the Special Senate and House Committees on Post-War Economic Policy and Planning in the summer of 1944. Strengthening of the program had been urged by the congressional committees when they recommended that unemployment compensation remain a function of the States. As the legislative sessions approached, improvements in the State laws were urged by the Social Security Board and by the Council of State Governments. Such amendments were recommended to the State legislatures by most of the State agencies, by advisory councils, and in some States by Governors and legislative committees.¹ Now that the legislatures have adjourned in all but 3 States, it is appropriate to survey the changes which have been made and the resulting status of State laws.

The Federal Congress has made no

change this year in the Federal legislation underlying the State-Federal system of unemployment compensation or in the unemployment compensation law of the District of Columbia. However, 36 of the 46 State legislatures in session in 1945 enacted legislation modifying the unemployment compensation program in some significant way.² The laws which have emerged from these sessions are more varied than ever before but they provide better protection against unemployment to larger numbers of workers than before. Thirty-four States amended their benefit or disqualification provisions or both. A smaller number of States amended their coverage and financing provisions.

Several States have added innovations such as dependents' allowances, or adjustment of benefits to cost of living, or, in certain circumstances, payment of benefits during disability. In other States the arithmetic of benefit formulas has been changed. As was most natural in a time of increased earnings, particular attention was

given to maximum weekly benefit amounts and, in preparation for possible extended unemployment, to extension of the period for which benefits may be paid. As a result of increases in the maximums in some States, the variation among the 51 States in the amounts of benefits provided is greatly increased.

When the States are weighted by the number of covered workers, the improvements which have been made in the program are impressive. For example, the maximum weekly benefit amount is \$20 or more in States with 78 percent of the covered workers; the maximum duration of benefits covers 20 weeks or more of total unemployment in States with 80 percent of the covered workers; the maximum potential benefits in a benefit year are \$396 or more in States with 75 percent of the covered workers. Almost three-fourths of the covered workers are in States which require as a waiting period only 1 week of total or partial unemployment. While 1945 changes in the disqualification and availability provisions are mixed in their effect, it seems clear that the trend toward more restrictive disqualification provisions is arrested, if not reversed.

Benefit Provisions

The 1945 amendments made few changes in the structure of the State benefit formulas or in the benefit year and base-period provisions on which the formulas depend. Oregon and Washington adopted annual-wage formulas for computing weekly and annual benefits, and South Dakota changed from an annual to a high-quarter formula. Iowa eliminated the provision for weekly benefits based on full-time weekly wages which was an alternative to its fraction of high-quarter wages. Forty-two States now base weekly benefits on high-quarter wages; 8 States utilize an annual-wage formula; and Wisconsin continues to base benefits on wages with the employer whose account is being charged.

*The amendments reported in this article were enacted in the first half of 1945. All were effective on or before July 1, except as noted below:

Alabama—Effective July 9, 1945.

California—Waiting-period and contingent-fund provisions effective Sept. 15, 1945; coverage effective Jan. 1, 1946.

Connecticut—Dependents' allowances effective Oct. 1, 1945; change in benefit formula, Jan. 1, 1946.

Illinois—Changes in benefit amounts effective Apr. 1, 1946.

Nebraska—Effective Aug. 9, 1945.

New Jersey—Coverage effective Jan. 1, 1946.

Ohio—Effective Oct. 12, 1945.

Pennsylvania—Partial benefits effective Jan. 1, 1946.

Texas—Effective Sept. 1, 1945.

Wisconsin—Benefit duration effective Jan. 1, 1946; experience rating, Dec. 31, 1945.

Tables on 1945 provisions include Louisiana provisions enacted in 1944, effective Jan. 1, 1945.

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¹ See especially the report of the Senate Interim Committee on Unemployment Insurance to the Fifty-Sixth California Legislature, pp. 64-67.

Table 1.—Maximum weekly and annual unemployment benefits, maximum duration of benefits, and qualifying wages for maximum benefits, by State, June 30, 1945¹

State	Maximum weekly benefit	Maximum weeks of benefits for total unemployment	Maximum annual benefits	Qualifying wages for maximum benefits ²			
				High quarter		Base period	
				Amount	Fraction	Amount	Fraction
Alabama.....	\$20	20	\$400.00	\$507.01	1/2	\$1,200.00	1/2
Alaska.....	16	16	250.00	300.01	1/2	750.00	1/2
Arizona.....	15	14	210.00	304.01	1/2	1,260.00	3/4
Arkansas.....	15	16	240.00	377.01	1/2	754.02	1/2
California.....	\$ 20	23.4	\$ 408.00	380-500.00	1/2	2,000.00	(*)
Colorado.....	15	18	240.00	371.88	1/2	720.00	1/2
Connecticut.....	\$ 22-28	20	\$ 440-560.00	559.00	1/2	1,720.00	1/2
Delaware.....	18	22	306.00	437.51	1/2	1,584.00	1/2
District of Columbia.....	\$ 20	20	\$ 400.00	437.01	1/2	800.00	1/2
Florida.....	15	16	240.00	360.01	1/2	960.00	1/2
Georgia.....	18	16	288.00	455.01	1/2	\$ 720.00	Uniform
Hawaii.....	25	20	500.00	600.01	1/2	\$ 750.00	Uniform
Idaho.....	18	17	306.00	585.01	1/2	1,224.00	1/2
Illinois.....	20	26	520.00	390.01	1/2	1,575.00	(*)
Indiana.....	20	20	400.00	475.01	1/2	1,600.00	1/2
Iowa.....	18	18	324.00	414.00	1/2	972.00	1/2
Kansas.....	16	20	320.00	376.01	1/2	960.00	1/2
Kentucky.....	16	20	320.00	438.75	(10)	1,595.00	Uniform
Louisiana.....	18	20	360.00	425.01	1/2	1,440.00	1/2
Maine.....	\$ 20	20	\$ 400.00	500.00	(10)	2,000.00	Uniform
Maryland ¹¹	20	26	520.00	350.01-520.00	1/2	2,080.00	1/2
Massachusetts.....	\$ 21	23	\$ 483.00	400.00	1/2	1,610.00	3/10
Michigan.....	11 20-28	20	12 400-560.00	360.01-560.00	1/2	2,240.00	13 1/2
Minnesota.....	20	20	400.00	10 437.50	(10)	1,750.00	(*)
Mississippi.....	15	14	210.00	304.01	1/2	\$ 450.00	Uniform
Missouri ¹²	18	16	288.00	437.51	1/2	1,440.00	3/16
Montana.....	15	10	240.00	350.01	1/2	\$ 450.00	Uniform
Nebraska.....	18	18	324.00	425.01	1/2	972.00	1/2
Nevada.....	\$ 14 18-24	14 20-15	\$ 14 360.00	340.01	1/2	1,080.00	1/2
New Hampshire.....	\$ 20	\$ 20	\$ 400.00	500.00	(10)	2,000.00	Uniform
New Jersey.....	22	26	572.00	462.01	1/2	1,716.00	1/2
New Mexico.....	15	16	240.00	377.01	1/2	720.00	1/2
New York.....	11 21	13 26	546.00	471.00	1/2	\$ 630.00	Uniform
North Carolina.....	20	16	320.00	10 520.00	(10)	2,080.00	Uniform
North Dakota.....	20	20	400.00	437.01	1/2	\$ 560.00	Uniform
Ohio.....	\$ 21	\$ 22	\$ 462.00	581.00	1/2	1,117.31	(13)
Oklahoma.....	18	20	360.00	340.01	1/2	1,080.00	1/2
Oregon.....	\$ 18	20	\$ 360.00	10 360.00	(10)	1,440.00	(*)
Pennsylvania.....	\$ 20	\$ 20	\$ 400.00	488.00	1/2	1,366.00	(*)
Rhode Island.....	\$ 18	\$ 20.25	\$ 364.50	315.00-450.00	1/2-1/3	1,800.00	(*)
South Carolina.....	\$ 20	\$ 16	\$ 320.00	494.01	1/2	\$ 800.00	Uniform
South Dakota.....	15	20	300.00	325.00	1/2	1,300.00	(*)
Tennessee.....	15	16	240.00	364.01	1/2	\$ 450.00	Uniform
Texas.....	11 18	11 18	324.00	455.01	1/2	1,620.00	1/2
Utah.....	11 17-25	11 27.0-18.4	460.00	380.01	1/2	\$ 600.00	(19)
Vermont.....	20	20	400.00	500.00	1/2	\$ 600.00	Uniform
Virginia.....	15	16	240.00	350.01	1/2	930.01	1/2
Washington.....	25	26	650.00	10 580.00	(10)	2,200.00	(*)
West Virginia.....	20	21	420.00	10 450.00	(10)	1,800.00	Uniform
Wisconsin ²⁰	20	23	460.00	520.01	(20)	1,840.01	1/2
Wyoming.....	20	20	400.00	390.01	1/2	21 1,560.01	1/2

¹ Legislature still in session. Wisconsin recessed until September.

² No change in 1945.

³ No session in 1945.

⁴ See text footnote 2 for dates when 1945 amendments are effective.

⁵ The amount of high-quarter wages required for the maximum benefit amount varies with the rounding provision as well as with the fraction of high-quarter wages. Rounding is indicated by odd cents regardless of State practice in adding or dropping cents. When 2 amounts are given, the higher amount is required for maximum duration at maximum weekly benefits; the lower amount for maximum weekly benefits. In statement of maximum base-period qualifying wages, rounding of benefit duration to dollar amounts is ignored. Odd amounts given are from tables of duration. The fraction of high-quarter wages applies between the minimum and maximum amounts. Where the State law utilizes a weighted table for the benefit formula, the fractions are approximate. Where dependents' allowances are provided, the fraction applies to the basic benefit.

⁶ 8-quarter base period, extended through the next to last completed calendar quarter prior to any week of benefits in Arizona.

⁷ For maximum duration, requires in each quarter of the base period wages equal to 1/2 wages in the high quarter.

⁸ Contains provision for reduction if solvency of fund is imperiled.

⁹ Maximum potential benefits according to table of base-period earnings.

¹⁰ \$22 maximum basic benefit plus \$2 per dependent up to 3.

¹¹ Same maximum with or without dependents; below maximum, weekly benefits equal 1/2 of high-quarter wages plus \$1 for each of not more than 3 dependents and annual benefits may be increased accordingly.

¹² The potential duration is uniform for all eligible claimants, and the only requirement for base-period wages is a multiple of the weekly benefit amount specified in the eligibility provision, as 30 in Georgia. See table 7 for formula for qualifying wage.

¹³ Utilizes annual rather than high-quarter formula; amount shown is 1/2 of the annual wage required.

¹⁴ Law provides for increase of maximum weekly benefit amount to \$25, based on \$480.01 high-quarter and at least \$750 base-period wages, in event of similar increase in veterans' readjustment allowances.

¹⁵ \$20 maximum basic benefit plus \$2 per dependent up to the lesser of \$25 and average weekly wage in high quarter.

¹⁶ But \$20 or 30 percent of base period wages, whichever is the lesser, if base-period wages are \$250-800.

¹⁷ Dependents' allowances of \$3 for first 1 or 2 dependents and \$6 for 3 or more will not increase maximum annual benefits and hence will decrease weeks of benefits for claimants with dependents.

¹⁸ Converted from days of unemployment in New York and 2-week periods in Texas.

¹⁹ 20 weeks for veterans under "freezing provisions."

Iowa changed from an 8-quarter to a 4-quarter base period, leaving only Arizona and Missouri with base periods longer than 1 year. Washington, in changing to an annual-wage formula, changed from individual periods to a calendar-year base period and a uniform July-June benefit year. New Hampshire added 1 month's lag between the calendar-year base period and the benefit year, which now runs from April 1 to March 31. West Virginia changed from a uniform calendar-year base period and uniform April-March benefit year to an individual benefit year starting with a valid claim and two fixed base periods—the calendar year for claimants whose benefit years begin between April 1 and September 30 and the 12-month period ending June 30 for other claimants. This arrangement will eliminate some of the long lags between base period and benefit year which are inherent in the use of uniform benefit years.

Maximum Benefit Amount

Twenty-six States increased their maximum benefits by amounts varying from \$1 (Kansas) to \$10 (Washington). The most usual increase was \$2, \$3, or \$5 (tables 1 and 2). In 3 States the increase is in terms of dependents' allowances (discussed below), with a maximum of \$6 to \$8. In most States the increase is simply an extension of the benefit formula to one or more additional wage groups. In States with a high-quarter formula, raising the maximum means that more workers may be paid benefits according to the formula which applies between the minimum and maximum amounts. Workers with large wartime earnings will receive as benefits a larger proportion of their earnings than under the lower maximum. In Washington and Oregon the increase in maximum weekly benefits is accompanied by a change

¹⁷ For 25 calendar weeks if high quarter was 13 calendar weeks of employment.

¹⁸ 18 weeks' duration for those employed 20 calendar weeks in base period; 19 weeks' duration for those employed 21-24; 22 weeks for those employed more than 24.

¹⁹ Weekly benefit amounts adjusted with cost-of-living index; statutory maximum \$20 reduced 20 percent when index is 98.5 or below, increased 20 percent when index is at or above 125; maximum annual benefits not affected; therefore if weekly amount is decreased or increased, weeks increased or decreased from normal uniform duration of 23 weeks.

²⁰ Requirements are in terms of average wages with the employer whose account is being charged. Figures given are based on an "average wage" of \$40.01 or more and all earnings specified from 1 employer, and duration in terms of 1 week of benefits for 2 of employment with the employer, maximum 23.

²¹ Fraction of base-period wages rounded to nearest \$20.

Table 2.—Increase in maximum weekly benefit amount, 1945 amendments: Number of States with specified maximum weekly benefit amount by amount of increase, June 30, 1945

1945 Increase	Present maximum weekly benefit amount									
	Total	\$15	\$16	\$18	\$20	\$21	\$22	\$24	\$25	\$28
Total.....	51	10	3	11	17	3	1	1	3	2
No change ¹	25	10	2	6	7	-----	-----	-----	-----	-----
\$1.....	1	-----	1	-----	-----	-----	-----	-----	-----	-----
2.....	6	-----	-----	1	5	-----	-----	-----	-----	-----
3.....	6	-----	-----	4	-----	2	-----	-----	-----	-----
4.....	1	-----	-----	-----	-----	-----	1	-----	-----	-----
5.....	8	-----	-----	-----	5	1	-----	-----	2	-----
6.....	1	-----	-----	-----	-----	-----	-----	-----	-----	1
8.....	1	-----	-----	-----	-----	-----	-----	-----	-----	1
9.....	1	-----	-----	-----	-----	-----	-----	1	-----	-----
10.....	1	-----	-----	-----	-----	-----	-----	-----	1	-----

¹ Includes 4 States with no legislative session in 1945.
² Includes cost-of-living allowance in Utah.

³ Includes dependents' allowances in Connecticut, Nevada, and Michigan.

from a high-quarter to an annual-wage formula, which may result in lower benefits for claimants in the lower wage groups than under the old formulas.

In Utah weekly benefits are adjusted according to the cost-of-living index of the U. S. Bureau of Labor Statistics. When the index (1935-39=100) rises to 125, the weekly benefit amount of each individual filing for benefits is adjusted to 120 percent (computed to the next higher multiple of \$1) of the normal benefit amount. Thus, effective July 1, 1945, the maximum weekly benefit is increased from \$20 to \$25, without increase in the high-quarter wages required; it will not revert to normal until the cost-of-living index falls to 120. Should the index fall to 98.5, weekly benefit amounts would be reduced to 80 percent of the normal benefit amount (computed to the next higher multiple of \$1) but no benefit would be reduced below \$13.

Twenty-five States made no changes in their maximum weekly benefit amounts of \$15-20 per week. Though 24 States still have maximum amounts of \$15-18 per week, 78 percent of the covered workers are in States with maximums of \$20 or more (table 3). To say what proportion of workers in the country would qualify for these maximum benefits would require detailed data on earnings of covered workers, which are not available.

The influence of the Servicemen's Readjustment Act of 1944, which provides flat benefits of \$20 per week to unemployed veterans, may be seen in the fact that \$20 is now the maximum benefit amount in the largest number of States (in 17, the over-all maximum, and in Michigan, the maximum

without dependents' allowances). While 10 States have a higher maximum than \$20, the maximum in 3 of these applies only to claimants with dependents, and in Utah, only when the cost-of-living index is at 125 or more. A Maryland amendment provides that its maximum of \$20 shall be increased to \$25 if the servicemen's readjustment allowance is increased to that amount.

Maine, which increased the maximum benefit from \$15 to \$20, retained a proviso that "if the Commission finds, after reasonable notice and hearing that benefit payments at the amounts prescribed . . . are in the aggregate such an amount as will permit an increase in benefit payments without imperiling the solvency of the unemployment compensation fund, the Commission shall by regulation increase the weekly and annual benefits by not to exceed 20 percent" and a similar proviso that amounts may be reduced by not more than 20 percent if the solvency of the fund is imperiled. Nevada added a provision that, when the balance in its fund falls, dependents' allowances will be suspended and maximum and minimum amounts reduced. This amendment brings to 11³ the number of States providing for the reduction of maximum benefit amounts when the solvency of the fund is endangered.

In 42 States the maximum weekly benefit amount is a fraction of the high-quarter wages, varying from 1/20 in 10 States to 1/25 in 11 and 1/20 in 9

³ California, Connecticut, Maine, Massachusetts, Nevada, New Hampshire, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina. For a discussion of fund protection provisions, see the *Bulletin*, May 1945, pp. 35-38.

States (table 1). In 7 States which apply different rates at different wage levels, the fraction applicable at the maximum varies from 1/10 in Rhode Island to 1/32 in Idaho. Of all the States with these high-quarter formulas, only the Dakotas' are new. North Dakota changed from 1/28 to 1/23, thus liberalizing benefits for claimants at all wage levels as well as for those affected by the maximum, which was increased from \$15 to \$20. South Dakota changed from an annual-wage formula to a weighted high-quarter fraction varying from 1/21 to 1/23 with no increase in maximum benefit but an increase in duration. All the hypothetical claimants in table 10 would get higher annual benefits under the new South Dakota formula, and B and C would get considerably higher weekly benefits.

The result of all these fractions is the great diversity of maximum qualifying high-quarter wages, shown in table 4 by weekly benefit amount. At least \$585.01 is necessary to qualify for the \$18 maximum in Idaho, while \$600.01 will qualify for \$25 per week in Hawaii. At the other extreme, more than \$377 is required to qualify for \$15 in Arkansas or New Mexico, while in Nevada, \$340.01 will qualify for \$18 per week, and for \$24 with dependents' allowances. Because of differences in the dependents' allowance formulas, \$559 qualifies a Connecticut claimant for a weekly benefit varying from \$22 if he has no dependents up to \$28 if he has 3 dependents; while \$390.01 will qualify a Michigan claimant for a basic benefit of \$20 or for \$28 if he has 4 dependents. To qualify for the full 20 weeks of benefits, however, a Michigan claimant with 4 dependents must have the equivalent of \$560 in each quarter of the base period.

Maximum Weeks of Benefits

The largest number of changes occurred in maximum duration of benefits. Twenty-eight States extended their maximum duration by 2-10 weeks, bringing their maximums up to 18-26 weeks of total unemployment (tables 1 and 5). In all States except Montana the actual benefit period for individual claimants may be increased if some or all of their weeks of benefits are for weeks of partial unemployment.

The Utah adjustment to cost of living (which provides that weekly benefits shall be reduced 20 percent when

the cost-of-living index falls below 98.5 percent without any decrease in annual benefits) would involve an increase to 27 weeks for claimants with maximum annual benefits. At present the increase of the maximum weekly benefit amount to \$25 with no increase in annual benefits reduces available weeks of benefits in Utah below its new normal of 23 weeks for all eligible claimants.

Six States with uniform duration of 16-20 weeks increased that duration by 2-6 weeks—to 20-26 weeks—and Maine, which had provided 16 weeks of benefits for all but the 4 lowest wage classes, increased potential duration

Table 3.—Amount and duration of benefits: Number of States, and percentage distribution of covered workers in these States in 1944,¹ by maximum weekly benefit, maximum duration, and maximum annual benefits, June 30, 1945

Amount and duration of benefits	Number of States	Covered workers in these States		
		Percentage distribution	Cumulative percentages	
			Specified provision or less	Specified provision or more
Maximum weekly benefit:				
Total.....	51	100.0		
\$15.....	10	6.5	6.5	100.0
16.....	3	2.0	8.5	93.5
18.....	11	13.4	21.9	91.5
20.....	17	39.2	61.1	78.1
21.....	3	24.7	85.8	38.9
22.....	1	4.2	90.0	14.2
24.....	1	.1	90.1	10.0
25.....	2 ³	2.5	92.6	9.9
28.....	3 ²	7.4	100.0	7.4
Maximum weeks of benefits for total unemployment:				
Total.....	51	100.0		
14.....	2	.8	.8	100.0
16.....	12	12.5	13.3	99.2
17.....	1	.2	13.5	86.7
18.....	3	4.9	18.4	86.5
20.....	21	30.5	48.9	81.6
21.....	1	1.1	50.0	51.1
22.....	2	7.1	57.1	50.0
23.....	4	14.5	71.6	42.9
26.....	5	28.4	100.0	28.4
Maximum annual benefits:				
Total.....	51	100.0		
\$210.....	2	.8	.8	100.0
240, 255.....	8	5.7	6.5	99.2
288, 300, 306.....	4	4.3	10.8	93.5
320, 324.....	7	9.6	20.4	80.2
360, 365.....	5	4.1	24.5	79.0
396, 400.....	11	17.0	41.5	75.5
420, 460, 462, 468.....	5	17.8	59.3	58.5
483, 500, 520.....	4	13.9	73.2	40.7
546, 560, 572, 650.....	3 ⁵	26.8	100.0	26.8

¹ Based on State reports of average monthly employment of workers covered by unemployment compensation laws.

² Includes Utah, with a normal maximum of \$20, now raised to \$25 because of rise in cost-of-living index.

³ Includes Michigan and Connecticut, where only claimants with maximum number of compensable dependents are eligible for amount specified.

Table 4.—Maximum weekly benefits: Number of States with high-quarter formulas, by maximum weekly benefit and minimum high-quarter wages for such benefits, June 30, 1945¹

Maximum weekly benefit ²	Minimum high-quarter wages for maximum weekly benefit ¹							
	Total	\$300.00-349.99	\$350.00-399.99	\$400.00-449.99	\$450.00-499.99	\$500.00-549.99	\$550.00-599.99	\$600.00 and over
Total.....	42	5	16	8	7	2	3	1
\$15.....	10	1	9					
16.....	2	1	1					
18.....	10	2	1	5	2		1	
20.....	12		5	2	3	2		
21.....	3			1	1		1	
22.....	1				1			
24.....	1	1						
25.....	1							1
28.....	2		1				1	

¹ Excludes Kentucky, Maine, Minnesota, New Hampshire, North Carolina, Oregon, Washington, West Virginia, Wisconsin.

² Includes dependents' allowance in 4 States but

excludes cost-of-living allowance in Utah.

³ In 4 of these States, a larger amount is required to qualify for maximum duration as well as maximum weekly benefits.

to 20 weeks for all wage classes. Ohio, which had provided 18 weeks' uniform potential duration, retained 18 weeks as a minimum duration for claimants with 20 weeks of base-period employment and increased duration to 19 weeks for claimants with 21-24 weeks of employment and to 22 weeks for those with more than 24 weeks of employment. The total number of States providing uniform potential duration (14-26 weeks) for all eligible claimants is now 14; their covered workers represent one-fourth of all covered workers in the country. Though the number of States with uniform duration is reduced by the changes in Utah and Ohio described above, the benefit rights of workers are not thereby reduced.

As with increases in maximum weekly benefits, many of the increases in maximum duration involved statutory increases in qualifying wages. This was not the case in Utah and Vermont, which increased uniform duration, because their qualifying wages are a multiple of the weekly benefit amount. In Maryland, the maximum duration was extended from 23 to 26 weeks, but the limitation of annual benefits to one-fourth of wage credits means that only some of the claimants with maximum benefit amounts can qualify for maximum duration; the maximum for all claimants at other benefit levels with steady year-round earnings remains 19 or 20 weeks. In California and Rhode Island, also, only some of the claimants receiving the maximum weekly amount can qualify for the maximum weeks of benefits.

Table 3, which summarizes the maximum duration provisions in the 51 State laws, shows that, although 18

States provide maximum benefits of 18 weeks or less, more than 80 percent of the covered workers are in States which provide benefits for 20 weeks or more, and more than one-fourth are in the States which provide a maximum of 26 weeks. Twenty weeks is now the maximum in the largest number of States (21), and 12 States provide more than 20 weeks. Seven⁴ State laws provide that the duration of benefit payments may be reduced when the fund falls to specified levels.

Maximum Potential Benefits in a Benefit Year

Changes in maximum benefit amount in 5 States, in maximum weeks of benefits in 7 States, and in both in 21 States have increased maximum annual benefits in 33 States and have greatly increased the spread

⁴ California, Connecticut, New Hampshire, Ohio, Pennsylvania, Rhode Island, South Carolina.

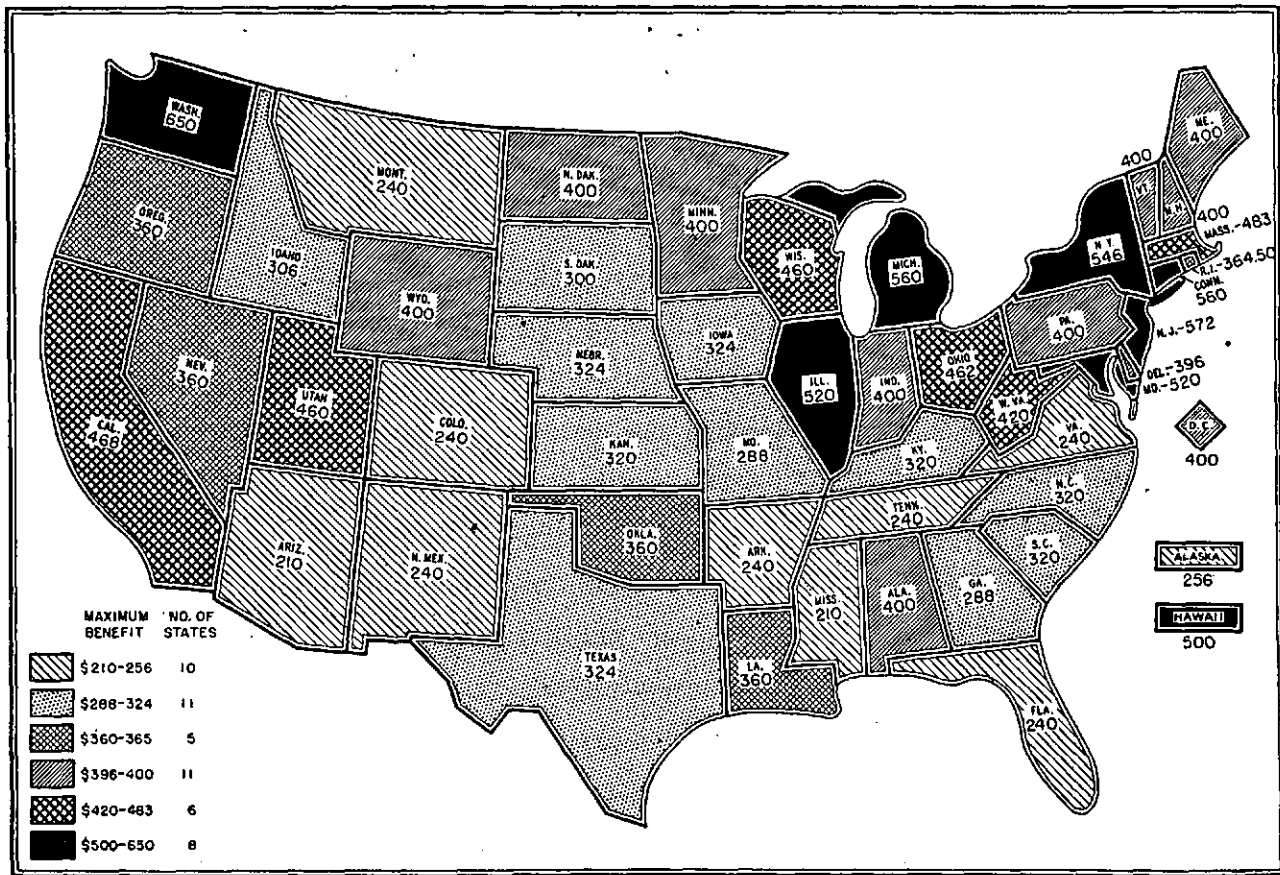
Table 5.—Increase in maximum duration of benefits, 1945 amendments: Number of States with specified maximum duration by amount of increase, June 30, 1945

1945 increase (weeks)	Present maximum duration (weeks of total unemployment)									
	Total	14	16	17	18	20	21	22	23	26
Total.....	51	2	12	1	3	21	1	2	4	5
No change.....	23	2	12	1	1	7			1	
2.....	8				2	5		1		
3.....	5				1			3	1	
4.....	10					9		1		
5.....	1						1			
6.....	2									2
8.....	1									1
10.....	1									1

¹ Includes 4 States with no legislative sessions in 1945.

² Includes Utah with a "normal" uniform duration of 23 weeks, where weeks of benefits may be increased to 27 when maximum weekly benefit is decreased because of decline in cost of living.

Chart 1.—Maximum potential annual benefits in a benefit year, by State, June 30, 1945



between the most liberal and the least liberal maximums from \$650 in Washington to \$210 in Arizona and Mississippi (chart 1). In 12 States with no 1945 amendments, no claimant can draw more than \$210, \$240, \$256, or \$288 in benefits in a benefit year. In 8 States, 1945 amendments bring maximum benefits up to \$500 or more; in Connecticut and Michigan, however, only claimants with a specified maximum number of dependents can receive the maximum amount.

Since most of the increases are in the populous industrial States, 75 percent of all covered workers are in the 25 States with maximum potential benefits of \$396 or more (table 3). Though 11 States provide for the reduction of potential annual benefits in periods when the available funds fall to certain specified levels, none of these reductions are expected to apply soon.

Only a few States changed the method of computing annual benefits. New Jersey increased its fraction of base-period wages from 1/5 to 1/3. Iowa changed from 1/6 to 1/3 in reducing from an 8-quarter to

a 4-quarter base period. Delaware simplified its formula by substituting 1/4 of base-period wages for its statutory minimum of 10 weeks plus 1 week's benefit for each \$200 of base-period wages. Washington and Oregon abandoned their uniform fractions of base-period wages in changing to annual-wage formulas. South Dakota changed from an annual-wage formula but continued to compute maximum annual benefits from a weighted table of base-period earnings. The maximum benefits allowed

for the maximum required base-period earnings (\$1,300) were increased from \$240 to \$300. Most of the States increased the maximum annual benefits with no change in the fractions of base-period wages or multiples of weekly benefit amount but with increases in the absolute amounts required for the increased potential benefits.

The diversity of benefit formulas, particularly of the qualifying-wage requirements (see table 7), and of the formulas for determining maximum

Table 6.—Maximum annual benefits: Number of States with specified maximum annual benefits by base-period qualifying wages for maximum benefits, June 30, 1945

Maximum annual benefits ¹	Minimum base-period qualifying wages for maximum benefits ²							
	Total	\$450-630	\$720-804	\$930-1,117	\$1,200-1,360	\$1,440-1,620	\$1,710-1,840	\$2,000-2,240
Total.....	51	7	8	8	5	10	6	7
\$210-256.....	10	3	4	2	1	—	—	—
288-324.....	11	—	2	3	2	3	—	1
360-365.....	5	—	—	2	—	2	1	—
396-400.....	11	2	1	—	2	3	1	2
420-483.....	6	1	—	1	—	—	2	1
500-650.....	8	1	1	—	—	1	2	3

¹ Including dependents' allowances in 3 States; in Nevada no increase in maximum annual benefits for claimants receiving dependents' allowances.
² Intervals stated in actual amounts utilized by the States.

Table 7.—Minimum weekly benefits and qualifying wages therefor, and potential annual benefits and duration of benefits for claimants who meet minimum qualifying requirements, by State, June 30, 1945¹

State	Minimum weekly benefit	Minimum weeks of benefits for total unemployment	Potential annual benefits	Qualifying wages for minimum benefits ²		
				High quarter	Base period	Formula
Alabama.....	\$4	10	\$40.00	\$75.01	\$120.00	30X
Alaska†.....	5	8+	42.00	\$11.25	125.00	25X
Arizona†.....	5	2+	12.00	\$23.33	\$70.00	14X
Arkansas†.....	3	4	\$12.00	16.50	66.00	22X
California†.....	10	18	\$160.00	75.00	300.00	Flat
Colorado†.....	5	10	50.00	37.50	150.00	30X
Connecticut.....	8-12	8+	\$70.00	60.00	240.00	Flat
Delaware.....	7	11	77.00	52.50	\$210.00	\$30X
District of Columbia†.....	\$6-9	12+	75.00	37.50	150.00	10 25X
Florida†.....	5	7+	37.60	37.50	150.00	30X
Georgia†.....	4	11 16	64.00	48.00	100.00	25-40X
Hawaii†.....	5	11 20	100.00	37.50	150.00	30X
Idaho†.....	5	7	35.00	78.00	140.00	28-52X
Illinois.....	10	12+	125.00	66.25	225.00	Flat
Indiana†.....	5	12+	\$62.00	\$75.00	250.00	Flat
Iowa.....	5	6	30.00	22.50	90.00	18X
Kansas†.....	5	6+	34.00	60.00	100.00	14 Flat
Kentucky†.....	5	11 20	100.00	60.00	200.00	14 Flat
Louisiana†.....	3	7+	23.00	22.50	90.00	30X
Maine.....	\$5	11 20	\$100.00	60.00	200.00	Flat
Maryland†.....	7	7+	53.00	52.50	210.00	30X
Massachusetts*†.....	\$6	7+	\$45.00	37.50	150.00	Flat
Michigan†.....	13 4.81	16 15+	\$75.00	62.50	250.00	16 Flat
Minnesota.....	7	12	84.00	60.00	200.00	Flat
Mississippi†.....	3	11 14	42.00	22.50	00.00	30X
Missouri*†.....	11 3	1+	4.00	\$7.50	\$20.00	40X
Montana†.....	5	11 16	80.00	37.50	150.00	30X
Nebraska†.....	5	7 13+	67.00	60.00	200.00	Flat
Nevada.....	8-14	7+	\$59.00	\$43.75	\$175.00	11 25-30X
New Hampshire.....	6	11 20	\$120.00	60.00	200.00	Flat
New Jersey.....	9	10	90.00	37.50	150.00	Flat
New Mexico†.....	5	10	50.00	78.00	150.00	30X
New York.....	10 10	11 26	260.00	100.00	300.00	30X
North Carolina.....	4	11 16	64.00	32.50	130.00	Flat
North Dakota.....	5	11 20	100.00	35.00	140.00	28X
Ohio*†.....	\$6	18	\$90.00	40.00	160.00	Flat
Oklahoma.....	6	6+	40.00	30.00	120.00	20X
Oregon.....	10	5	\$50.00	50.00	200.00	Flat
Pennsylvania.....	8	9	\$72.00	60.00	240.00	30X
Rhode Island†.....	\$6.75	7+	\$34.00	25.00	100.00	Flat
South Carolina†.....	4	11 16	\$64.00	30.00	120.00	30-40X
South Dakota.....	6	7 10	60.00	60.00	125.00	Flat
Tennessee.....	5	11 16	80.00	50.00	125.00	25-30X
Texas.....	10 5	3+	18.00	22.50	90.00	10 18X
Utah.....	11 5-7	23-10+	115.00	37.50	150.00	30X
Vermont.....	6	11 20	120.00	60.00	180.00	30X
Virginia.....	4	6	24.00	25.00	100.00	25X
Washington.....	10	12	120.00	75.00	300.00	Flat
West Virginia.....	8	11 21	168.00	75.00	300.00	Flat
Wisconsin*.....	11 8	7 5+	42.00	(21)	105.14	(21)
Wyoming.....	7	7+	40.00	70.00	175.00	26X

*State legislature still in session. Wisconsin recessed to September.

†No change in 1945.

‡No session in 1945.

¹ See text footnote 2 for dates when 1945 amendments are effective.

² Where high-quarter wages are not specified in the law, base-period wages are divided by the number of quarters in which they must be earned. Formula in terms of multiple of weekly benefit amount indicated. See table 1 for high-quarter formula.

³ Qualifying wages must have been earned in last 3 quarters of 8-quarter base period.

⁴ Duration is 4 weeks for each quarter of the 4-quarter base period in which the claimant's wages are equal to at least 1/4 his high-quarter wages. Therefore, the potential annual benefits, if all or the largest part of the qualifying wage was earned in 1 quarter, are \$12. If 1/4 high-quarter wages were earned in each other quarter, the total potential benefits would be 1/4 of the qualifying amount of \$22.

⁵ Contains provision for reduction if solvency of fund is imperiled.

⁶ For claimants with primary benefit only, increased with dependents' benefits.

⁷ If the qualifying wages are concentrated largely or wholly in the high quarter, the weekly benefit may be higher than the minimum and the weeks of benefits for claimant with minimum qualifying wages may be reduced accordingly. In Illinois, not less than 10 weeks by statute.

⁸ \$200 if 75 percent of an individual's wages are in seasonal industry, i. e., in first processing of agricultural products; such individual's benefits are not payable during period November through April.

⁹ Weekly benefits may be increased \$1 for each dependent of specified types up to 3.

¹⁰ 25 times up to weekly benefit of \$10; above that amount, flat \$250.

¹¹ Potential duration of benefits is uniform for all eligible claimants.

¹² Rounded to next lower dollar.

¹³ Including \$150 in last 2 quarters of base period.

¹⁴ Wages totaling \$100 in 2 quarters or \$200 in base period.

¹⁵ Weekly benefit amount is average weekly wage in high quarter if less than \$10. With minimum high-quarter wages necessary to qualify, weekly benefit amount would be \$4.81. Minimum duration is 30 percent of base-period earnings but not less than 12 weeks. Amendments effective Apr. 1, 1945, add dependents' benefits up to the average weekly wage—hence would not affect the claimant at the minimum.

¹⁶ Including some wages in at least 2 quarters.

¹⁷ Minimum weekly benefit is 50 cents, but if less than \$3, total benefits are paid at rate of \$3 per week. Qualifying earnings are 40 times weekly benefit amount in 8-quarter base period, including some earnings in at least 3 quarters.

¹⁸ \$175 if computed weekly benefit is less than \$8. 25-30 times weekly benefit amount if computed weekly benefit amount is more than \$8. Including earnings of 5 times the weekly benefit in some quarter other than the high quarter.

¹⁹ Converted from days of unemployment in New York and 2-week periods in Texas.

²⁰ And employment in at least 20 weeks.

²¹ Provision effective July 1, 1945, raises weekly benefit amount 20 percent to next higher dollar when cost-of-living index reaches 125; since total annual benefits are not increased, duration would be correspondingly decreased.

²² Minimum benefit amount is \$6, but benefits

duration of benefits results in the wide scattering shown in table 6, which compares maximum annual benefits and the maximum qualifying amounts for such benefits. States with uniform duration for all eligible claimants and a qualifying requirement in terms of a multiple of the weekly benefit amount concentrate at the left of the table; States with annual-wage formulas or the smaller fractions for computing duration concentrate at the right, regardless of the amounts of annual benefits involved. Thus, New York requires base-period earnings of only \$630 (with at least \$471 in the high quarter) for maximum potential benefits of \$546, and North Carolina requires annual earnings of \$2,080 for its maximum potential benefits of \$320.

Minimum Benefits

Minimum weekly benefits.—Only 13 States changed their minimum weekly benefit amounts in the 1945 legislative sessions. Ten increased the minimum by \$1, \$2, or \$3 a week, and 2 decreased by \$1, as is shown in the list below. Both of these latter States, however, increased the potential annual benefits of the claimant who qualifies for the minimum. Iowa established a \$5 minimum; previously there had been no effective minimum, since claimants with negligible high-quarter earnings could qualify for benefits equal to 1/13 of those earnings.

State	Changes in minimum weekly benefit amount	
	1945 amendment	Prior provision
Alabama.....	\$4	\$2
Connecticut.....	8	6
Delaware.....	7	5
Illinois.....	10	7
Iowa.....	5	(1)
Maine.....	5	6
Nevada.....	8	5
New Jersey.....	9	7
North Carolina.....	4	3
South Dakota.....	6	7
Washington.....	10	7
West Virginia.....	8	7
Wisconsin.....	8	12

¹ Full-time weekly wage if less than \$5.

² Payable at the rate of \$3 per week

As is shown in detail in table 7, the 51 States now have minimum rates varying from \$3 in Arkansas, Louisiana, Mississippi, and Missouri, to

are paid at rate of \$8 per week. 14 weeks of employment with 1 employer are needed to qualify, and benefits are in the ratio of 1 week for 2 weeks of employment. Average weekly wages of \$7.51 to \$9 qualify for the \$6 benefit. Wisconsin has no concept of "benefit year."

\$10 in California, Illinois, New York, Oregon, and Washington. Two States pay benefits at higher rates than their statutory minimums; thus Missouri, which may compute benefits as low as 50 cents a week, pays at the rate of \$3, and Wisconsin's \$6 and \$7 benefits are paid at the rate of \$8. The largest number of States (19) still have a minimum of \$5, the figure suggested in the early draft bills. Ten States have minimums below \$5, and 17 between \$5 and \$10. The majority of covered workers, however, are in States with minimum benefits of \$7 or more; almost one-third are in States with minimums of \$10 (table 8).

Minimum weeks of benefits.—Eleven State laws in addition to the 14 with uniform duration now have statutory minimum weeks of benefits for any eligible claimant; in the following tabulation, except as otherwise noted, the statutory minimum in these 11 States applies to claimants at all benefit levels:

State	Statutory minimum (weeks)	
	1945 amendment	Prior provision
California.....	(1)	18
Delaware.....	(1)	11
Illinois.....	10	(1)
Michigan.....	(1)	12
Minnesota.....	12	10
New Jersey.....	10	6
Ohio.....	18	(1)
Oregon.....	5	(2)
Pennsylvania.....	9	
Virginia.....	(1)	7
Washington.....	12	(1)

¹ No change.

² No statutory minimum; duration was quotient of annual benefits and weekly benefit.

³ Applies only to minimum benefit class.

⁴ 18 weeks' uniform duration.

In Ohio the minimum of 18 weeks applies to workers at any benefit level who have only 20 weeks of employment in the base year.

In the other 26 States the minimum duration of benefits is derived from the arithmetic of the benefit formula. A certain fraction of minimum qualifying wages equals minimum potential benefits; dividing the latter by an individual's benefit amount gives the weeks of duration. In table 7, the figure given for minimum weeks of benefits is the number of weeks available for the claimant with minimum annual benefits and minimum weekly benefits. In 10 States with a high-quarter formula, the actual minimum weeks of benefits may be less than that

indicated in the table, for claimants with minimum qualifying wages who have a weekly benefit amount above the minimum, because of the concentration of their wages in the high quarter.

Minimum annual benefits.—Among the minimum provisions, none is more significant in determining the adequacy of the unemployment compensation program than the amount of benefits which a claimant who barely qualifies for benefits may draw in a benefit year. In New York such a claimant who remains unemployed and eligible may draw a total of \$260—more than the maximum in 10 States (table 1).

Twenty-one⁵ States increased the potential annual benefits for the claimant with minimum qualifying wages by increasing the minimums for the weekly benefit amount (4 States) or duration (11 States) or both (6 States). In Maine the increase comes in a change to uniform 20-week duration for all eligible claimants; in New Hampshire, New York, North Dakota, Utah, Vermont, and West Virginia, it involves an increase in uniform duration. In Illinois, Minnesota, New Jersey, Oregon, Pennsylvania, and Washington the statutory minimum duration was increased. In Connecticut, Iowa, and New Jersey, the increase in minimum duration resulted, in part, from a liberalization of the fraction of base-period wages available as benefits.

In 10 States⁶ the liberalization of minimum annual benefits was accompanied by an increase of base-period qualifying wages—an increase of about \$100 in Connecticut, Pennsylvania, and Washington. In some States the bottom classes in the benefit schedules were eliminated. Whether such action would bar from benefits workers who are genuinely attached to the covered labor force would depend on the adjustment of the minimum benefit and the minimum qualifying amount to wage levels in a State.

Maximum potential benefits for claimants with minimum qualifying wages vary from New York's \$260 to

⁵ Alabama, Connecticut, Delaware, Illinois, Iowa, Maine, Minnesota, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oregon, Pennsylvania; South Dakota, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin.

⁶ Alabama, Connecticut, Delaware, Iowa, Maine, New York, Pennsylvania, Washington, West Virginia, Wisconsin.

Table 8.—Minimum weekly benefit and potential annual benefits for claimants who meet minimum qualifying requirements: Number of States with specified amount of benefits and percentage distribution of covered workers in these States in 1944, by minimum weekly benefit and potential annual benefits, June 30, 1945

Amount of benefits	Number of States	Percentage distribution of covered workers	Cumulative percentages	
			Specified provision or less	Specified provision or more
Minimum weekly benefit:				
Total.....	51	100.0		
\$3.00.....	4	4.8	4.8	100.0
4.00 or 4.81.....	6	12.5	17.3	95.2
5.00.....	19	22.0	39.3	82.7
6.00 or 6.75.....	7	7.0	46.9	60.7
7.00.....	4	3.6	50.5	53.1
8.00 or 9.00.....	6	18.6	69.1	49.5
10.00.....	5	30.9	100.0	30.9
Potential annual benefits:				
Total.....	51	100.0		
\$4.00-24.00.....	6	9.4	9.4	100.0
30.00-45.00.....	12	13.8	23.2	90.6
50.00-67.00.....	11	11.4	34.6	76.8
70.00-84.00.....	8	20.5	55.1	65.4
90.00-100.00.....	6	13.0	68.1	44.9
115.00-125.00.....	5	10.1	78.2	31.9
160.00-260.00.....	3	21.8	100.0	21.8

negligible amounts of less than \$20 in 4 States with low minimum weekly benefit amounts and low qualifying wages. Although 18 States may bring workers into the system for annual benefits of less than \$50, 77 percent of covered workers are in the 33 States with potential annual benefits of \$50 or more for the claimant with minimum qualifying wages, and 32 percent are in 8 States with such potential benefits of more than \$100 (table 8).

Benefits for Partial Unemployment

Pennsylvania added benefits for partial unemployment, effective January 1946, and 7 States simplified or liberalized their provisions. Now only Montana makes no payments for weeks of partial unemployment; in that State a worker may have up to \$5 of odd-job earnings in a week and still be considered totally unemployed.

The Pennsylvania law follows a common pattern. An individual is partially unemployed in a week of less than full-time work if he earns less than his weekly benefit rate. His benefit for such a week is his weekly benefit amount minus the remuneration paid or payable for the week in excess of \$3, rounded to the next higher multiple of \$1.

West Virginia abandoned the complicated formula described in the Jan-

uary 1945 BULLETIN.⁷ Its new formula is substantially like that of Pennsylvania. The provision that partial benefits may be suspended when the fund balance falls below \$5 million is continued. North Carolina eliminated the complicated definition of partial unemployment in terms of earnings of 6/5 of the weekly benefit. It now defines partial unemployment as a week of less than 60 percent of the customary scheduled full-time hours of the industry, plant, or occupation in which an individual is employed and in which he earns less than his weekly benefit amount plus \$2. His partial benefit is his weekly benefit less wages in excess of \$2, rounded to the nearest 50 cents.

Maine revised its schedule of allowances for a week of benefits for partial unemployment in \$1 instead of 50-cent intervals. The earnings disregarded are changed from \$2.99 to \$3.00, and the benefits of any claimants whose earnings are in the lower half of any dollar interval will be 50 cents higher than formerly. Washington increased its partial-earnings allowance from \$3 to \$5 and changed rounding from the next higher 50 cents to the next higher dollar. The changes in Texas and Wyoming were solely in the provisions for rounding; Texas changed from the nearest 50 cents to the next higher dollar; Wyoming from the nearest dollar to the next higher dollar.

Iowa changed its definition of partial unemployment to a week of less than the regular full-time work and less than the regular full-time wage for an individual employed at his regular job or, for an individual separated from his regular job, a week in which he earns less than his weekly full-time wage on his regular job. The benefit for a week of partial unemployment is the weekly benefit amount less the total amount earned in the week reduced by \$3. It would seem that many individuals would be partially unemployed by definition when they would not be eligible for any benefits, because the partial-earnings limit for most workers would exceed the weekly benefit amount by more than \$3.

Dependents' Allowances

Three States added dependents' allowances in 1945; previously only the District of Columbia included such al-

Table 9.—Potential annual benefits for claimants who meet minimum qualifying requirements: Number of States with specified qualifying amounts by potential annual benefits, June 30, 1945

Potential annual benefits ¹	Minimum qualifying amount ¹							
	Total	\$20	\$50-90	\$100-140	\$150-180	\$200-240	\$250	\$300
Total.....	51	1	6	14	13	11	2	4
\$4.....	1	1						
10-24.....	5		4	1				
30-45.....	12		2	7	3			
50-67.....	11			4	3	3	1	
70-84.....	8			1	2	4	1	
90-100.....	6			1	3	2		
115-125.....	5				2	2		
160-260.....	3							1

¹ Intervals stated in actual amounts utilized by the States.

lowances in its benefit formula. The 4 laws differ markedly in the definition of dependent and in the amount of the dependents' benefits.

In Michigan, allowances are made only for a claimant's dependent children. Any child under 18, or a child under 21 who is unable to work and is supported by the claimant, or a child whom he has been ordered to support is deemed dependent. In the other 3 States, also, children are included as dependents, with various definitions in terms of age, support, school attendance, gainful employment, physical ability to work, and marital status.

In the District of Columbia, either husband or wife or both may draw dependents' allowances for a child. In Michigan only the husband, and in Connecticut only one of the two spouses, is entitled to an allowance on behalf of a child for any week when both husband and wife are receiving benefits. In Nevada no child's allowance is payable to a husband or wife living in the same household when both are receiving benefits.

Connecticut includes as dependents a wife living in the same household, or wholly or mainly supported by a claimant, if she receives no remuneration in excess of \$10 in the claim week, and a physically or mentally incapacitated husband wholly or mainly supported by his wife. The District includes a spouse, mother, father, stepmother, stepfather, brother, or sister, who, because of age or disability, is unable to work and is wholly or mainly supported by the claimant. In Nevada a wife who is not gainfully employed, or a husband, mother, father, stepmother, stepfather, brother, or sister, who, because of age or disability, is unable to work and is wholly or mainly supported by the claimant, may be a dependent.

All these laws provide flat allow-

ances for dependents rather than fractions of the claimant's weekly benefit amounts, as follows:

State	Allowance per dependent	Maximum number of dependents
Connecticut.....	\$2.....	3
District of Columbia.....	\$1.....	3
Michigan.....	\$2.....	4
Nevada.....	\$3 for 1 or 2; \$3 for the third.	3

¹ But maximum weekly amount is \$20 with or without dependents.

² 4 dependents is the maximum for claimants with a weekly benefit of \$20 because of the over-all limit of \$28; some claimants may draw fractional benefits for a fifth dependent. See text.

In 2 States, however, other limitations on the weekly allowance may destroy the simplicity of even-dollar allowances. In Michigan the basic benefit plus the dependents' allowances may not exceed the average weekly wage in the high quarter (figured as 1/13 of that quarter's earnings without rounding) or \$28. Since the claimant with high-quarter earnings of less than \$130 has a weekly benefit equal to his average weekly wage, no dependents' allowance is payable. If a claimant has a weekly benefit amount of \$10 based on high-quarter earnings of \$200, his maximum dependents' allowance for 3 or more dependents would be \$5.38, the difference between his average weekly wage and his weekly benefit amount. If, however, he has a weekly benefit amount of \$18 (based on high-quarter wages of \$360) and an average high-quarter weekly wage of \$27.69, his maximum dependents' allowance for 5 or more dependents would be \$9.69 rather than the \$8 which applies to a man with the maximum benefit of \$20. In Connecticut the total allowance for dependents may not exceed 50 percent of the basic benefit payable for the week. Thus,

if a claimant has 3 dependents and a weekly benefit amount of \$9.50, the allowance for the third dependent is 75 cents rather than \$2.

In benefits for partial unemployment, even greater differences result from the 4 different formulas. In Michigan a claimant is partially unemployed when he earns less than his augmented benefit amount; in the 3 other States, when he earns less than the basic amount. In the District of Columbia and in Nevada the full dependents' allowances for the proper number of dependents are added to the partial benefit. In Connecticut and Michigan the limitations described above may result in payment of fractional amounts of dependents' benefits.

In Nevada any claimant has the same maximum potential annual benefits with or without dependents' allowances. Thus, dependents' allowances reduce the available weeks of benefits for any claimant. Payments for weeks of partial benefits may increase the total amount paid for dependents but not the total amount payable in a benefit year. In the District the annual benefits of all claimants except those eligible for the maximum weekly benefit may be increased by the amount of dependents' benefits. In Michigan the effect of dependents' allowances on duration of benefits depends on the amount of base-period earnings. Like other States with variable duration, Michigan has a double limitation on maximum benefits; the lesser of a multiple (20) of the weekly benefit amount or a fraction (25-30 percent) of base-period wages. Since the weekly benefit amount in Michigan includes any allowance payable for dependents, maximum annual benefits are increased as a result of dependents' allowances if the specified fraction of base-period wages exceeds 20 times the primary benefit. Payment of partial benefits for more than 20 weeks cannot increase the maximum amount payable in a benefit year since the total annual benefits cannot exceed 20 times the augmented benefit amount. In Connecticut a claimant with dependents will have greater maximum potential benefits than a comparable claimant without dependents, and a claimant with weeks of partial benefits may have greater annual benefits than a comparable claimant all of whose unemployment is total. How the 4 formulas operate

for 5 hypothetical claimants is illustrated in table 10.

Miscellaneous Changes in Benefits

Reciprocal arrangements.—Maine, Montana, and Nevada amended their reciprocal coverage provisions to permit wage-combining. This brings to 49⁸ the States which can enter into reciprocal arrangements with the appropriate agencies of other States or the Federal Government, whereby wages or services performed under any State or Federal law may be combined for purposes of determining benefit rights under the laws of 1 State and reimbursements made to the fund of the State making the payment.

Freezing provisions.—The enactment of the Servicemen's Readjustment Act of 1944 and the expiration in 1945 in 14 States of the period for which the provisions freezing the benefit rights of servicemen were to run directed attention to these provisions, which had been incorporated in all State laws except those of Alaska and New Mexico. In 6 States⁹ the provisions which would have provided postwar benefits to ex-servicemen on the basis of prewar wage credits automatically became inoperative with the provision of Federal allowances for unemployed servicemen. Four States¹⁰ deleted the freezing provisions and in 4 others¹¹ they expired in 1945. The other 10 States with 1945 expiration dates¹² extended their present provisions until 1947 or later.

At present, veterans have rights under 35 State laws. In 33 States these rights are based on prewar benefit credits; in Utah, on allowances of special credits equal to those of an individual's high quarter (within 8 quarters after January 1939 and before his induction) for each quarter of active service after January 1, 1940. Pennsylvania amended its provision entitled "status preserved during and after military and naval service" by substituting an automatic allowance, to individuals engaged in covered employment in the year preceding military service, of wage credits equal to the high-quarter and base-

⁸ All States except Kentucky and Oregon.

⁹ Arizona, Louisiana, New York, Texas, Virginia, Washington.

¹⁰ Delaware, Illinois, Oklahoma, Wisconsin.

¹¹ Iowa, Kansas, Minnesota, Nebraska.

¹² California, Hawaii, Indiana, Maryland, Michigan, North Dakota, Ohio, Vermont, West Virginia, Wyoming.

period wages necessary to qualify for maximum benefits under the 1945 benefit schedule.

Ex-servicemen cannot draw veteran's readjustment allowances and State benefits at the same time, however, because of a provision (section 1000) in the Servicemen's Readjustment Act on "adjustment of duplicate benefits" and of similar provisions or specific provisions in the State laws that the veterans must exhaust their Federal benefits first. Mississippi specifically provides that its disqualification for a week in which a claimant is receiving benefits under an unemployment compensation law of the United States shall not be "construed to include . . . any law of the United States, providing unemployment compensation or allowances for honorably discharged members of the armed forces." At the other extreme is Idaho, which provides that any moneys paid an ex-serviceman by the Federal Government as compensation for unemployment subsequent to his honorable discharge shall be deducted from the unpaid balance of his rights under the Idaho law which are "held in status quo" during his military service. In Kansas, Minnesota, Oklahoma, and Oregon, the 1945 amendments added benefits under the Servicemen's Readjustment Act as disqualifying income for regular or frozen benefits.

The 1945 amendments make various changes also, in various States, in the period within which claims must be filed, the conditions of termination of service, the definitions of base period, and so on. None of these will affect many claimants so long as ex-servicemen have rights to their Federal readjustment allowances.

Seasonal provisions.—Only 4 States enacted any amendments concerning seasonal provisions.¹³ These enactments were of various sorts. Indiana repealed its provision for a study of the subject of seasonal employment. West Virginia retained its 1936 study provision but inserted in the eligibility provisions a requirement that "an individual working less than 100 days during his base period in an industry recognized as seasonal, such as food processing and canning, shall not be eligible for benefits unless he has

¹³ See Linnenberg, Marianne Sakmann, "Seasonal Employers and Seasonal Workers Under State Unemployment Compensation Laws," *Social Security Bulletin*, Vol. 7, No. 11 (November 1944), pp. 13-26.

earned wages during his base period in other covered employment equal to not less than \$100."

California added to the availability requirements for seasonal workers a provision that, when an individual has been paid more than half his total base-period wages in a single calendar quarter, "the Commission shall consider as tests of his current availability such factors, among others, as: (1) pattern of prior employment, (2) continuity of registration of work, (3) refusal or evasion without good cause of work opportunities since the beginning of his base period."

Hawaii changed its definition of "seasonal pursuit." Before the amendment an industry could be determined seasonal if in its period of low employment the number of man-hours worked was 30 percent or less of the number of hours worked during the peak period. Because of the shortage of labor, the pineapple industry has had to employ fewer people over a longer period of time, with the result that the contrast between the period of peak employment and low employment is less marked. The new amendment permits the industry to retain its seasonal status even though employment in the off season does not drop below 50 percent of the peak employment. A seasonal worker, whose benefit rights are limited, continues to be defined as an individual who earns 25 percent or more of his base-period wages from seasonal employers.

Disparities in Benefits for Same Wage Credits

Tables 1 and 7 illustrate the differences from State to State in minimum and maximum amounts and the qualifying wages therefor. Table 10 illustrates the different benefits allowed from State to State for the same amounts of base-period and high-quarter wages in terms of 5 hypothetical claimants.¹⁴

A is a marginal claimant with only \$200 base-period wages, and \$100 in his high quarter. In 11 States he would not be eligible for any benefits. In 33 States he would be eligible for the minimum weekly benefits of \$4-10; in 7 States with minimums of \$3,

\$4, or \$6.75 he would be eligible for \$4, \$5, or \$7.25. His most usual weekly benefit would be \$5 (19 States). In 14 States he would receive more than \$5—in Oregon, \$10. His maximum annual benefits would vary from \$34 in Arizona to \$100 or more in 8 States—\$120 in New Hampshire and Vermont. The most usual annual benefit would be \$64-67 (in 11 States) because of the prevalence of $\frac{1}{3}$ as a limiting fraction of base-period earnings. His weeks of benefits for total unemployment would vary from 5 in Oregon to 20 in 6 States with uniform duration. He would be ineligible in 2 States with longer uniform duration. In States with variable duration he would have the statutory minimum in Oregon (5 weeks) and New Jersey (10 weeks) and the maximum (16 weeks) in Arkansas. If he had 3 dependents, of specified types, his weekly benefit would be increased to \$9 in the District of Columbia and \$14 in Nevada, with a decrease in weeks of benefits in the latter State.

B has \$250 in high-quarter wages and \$600 base-period wages. He is eligible in all States for weekly amounts above the minimum, varying from \$8 in Kentucky to \$16 in Utah with its present adjustment of benefits to the cost of living. In 22 States he would receive \$10 a week, in 25 States, more than \$10, and in 4 States, with an annual-wage formula, less than \$10. His annual benefits would vary from 10 weeks and \$100 in Arizona to 26 weeks and \$286 in New York. In Rhode Island he would not have 10 full weeks of benefits. In 10 States with variable duration, he would be eligible for the maximum of 16-22 weeks. In 4 States he would have \$124 or less; in 16 States, \$200 or more. If he had the maximum number of dependents compensable under 4 State laws, his weekly benefit would be \$14.00-19.23, his annual benefits \$180-280.

C, with high-quarter wages of \$400 and base-period wages of \$1,000, would qualify for the maximum weekly benefit (\$15-25) in 22 States and for \$12-19 in the others. His weekly benefit would be \$15 in 16 States and \$16 in 12 States. In 6 States with annual-wage formulas it would be \$12-14, and in 7 States, \$20 or more. C's maximum annual benefits are the State's maximum in 11 States—from \$210 in Mississippi to \$460 in Utah—and in the States where he does not qualify for the maximum his bene-

fits vary from \$167 (Arizona) to \$442 (New York). Only in Arizona would he receive less than \$200; only in Utah and New York, more than \$400. In 26 States the amount is between \$240 and \$266. In the 4 States with dependents' allowances, weekly benefits for C, with the maximum number of dependents, would be \$20-28, his annual benefits, \$250-400.

D, with high-quarter wages of \$500 and base-period wages of \$1,500, qualifies for the maximum weekly benefit in 39 States and for the maximum annual benefits in 28 States. His weekly benefit varies from \$15 in 12 States to \$25 in Utah. It is \$20 in 12 States and above \$20 in 5 States. His maximum annual benefits range from \$210 in Arizona and Mississippi to \$500 in Illinois and New Jersey and \$546 in New York. They are less than \$300 in 14 States and \$400 or more in 13 States. With the maximum number of compensable dependents, claimant D's benefit rate is raised to \$20-28, his maximum annual benefits, to \$360-500.

E, with high-quarter wages of \$600 and base-period wages of \$2,100, is eligible for maximum weeks of benefits in all States except Wisconsin and for maximum weekly and annual benefits in all States except Hawaii, Washington, and Wisconsin. His weekly benefits in these States are \$24, \$24, and \$20 and his annual benefits, \$480, \$624, and \$450. Thus, this section of the table is almost a duplicate of table 1, and the generalizations made concerning that table would apply to claimant E. With the maximum number of dependents, E's weekly benefit is \$20-28 in 4 States; and his maximum annual benefits are \$360-560.

The maximum limitations on annual benefits are such that 11 States will pay claimants C, D, and E identical benefits, and 17 other States will pay the same to D and E. In Maryland and Washington, however, E's annual benefits would be more than twice C's; in 13 other States they would be more than 50 percent greater. For each of the claimants A to E the annual benefits under the most liberal State law are more than twice the amount available in the State paying the lowest maximum potential benefits for his base-period wages; for B and E, almost 3 times; for A, $3\frac{1}{2}$ times.

After this war period, during which workers have crossed and recrossed State lines, many workers will draw

¹⁴ For an earlier statement of similar differences in State laws as of June 1942, see Reticker, Ruth, "Variations in Benefit Rights Under State Unemployment Compensation Laws," *Social Security Bulletin*, Vol. 5, No. 6 (June 1942), pp. 4-1.

Table 10.—Weekly benefit amount for total unemployment and maximum potential benefits in a benefit year for five hypothetical claimants with specified high-quarter and base-period wages, by State, June 30, 1945¹.

State	Claimant A: High-quarter wages of \$100 and base-period wages of \$200			Claimant B: High-quarter wages of \$250 and base-period wages of \$600			Claimant C: High-quarter wages of \$400 and base-period wages of \$1,000			Claimant D: High-quarter wages of \$500 and base-period wages of \$1,500			Claimant E: High-quarter wages of \$600 and base-period wages of \$2,100		
	Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits	
		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)
<i>Basic benefit</i>															
Alabama	\$4.00	\$67.00	16+	\$10.00	\$200	**20	\$15.00	\$300	**20	\$19.00	\$380	**20	**\$20	**\$400	**20
Alaska†	5.00	67.00	13+	13.00	200	15+	**16.00	**256	**16	**16.00	**256	**16	**16	**256	**16
Arizona†	5.00	34.00	*6+	10.00	200	*10	**15.00	*167	*11+	**15.00	**210	**14	**15	**210	**14
Arkansas†	4.00	64.00	**16	10.00	160	**16	**16.00	**240	**16	**15.00	**240	**16	**15	**240	**16
California†	Incl.	Incl.	Incl.	13.00	208	16	**20.00	324	16+	**20.00	414	20+	**20	**468	**23+
Colorado†	5.00	66.67	13+	10.00	160	**16	**15.00	**240	**16	**15.00	**240	**16	**15	**240	**16
Connecticut†	Incl.	Incl.	Incl.	10.00	160	16	15.00	280	17+	19.00	380	**20	**22	**440	**20
Delaware	Incl.	Incl.	Incl.	10.00	150	15	16.00	250	15+	**18.00	325	21+	**18	**396	**22
District of Columbia†	6.00	100.00	16+	11.00	220	**20	18.00	300	**20	**20.00	**400	**20	**20	**400	**20
Florida†	5.00	50.00	10	11.00	150	13+	**15.00	**240	**16	**15.00	**240	**16	**15	**240	**16
Georgia†	5.00	80.00	U 16	10.00	160	U 16	15.00	240	U 16	**18.00	**288	U 16	**18	**288	U 16
Hawaii	5.00	100.00	U 20	10.00	200	U 20	17.00	340	U 20	21.00	420	U 20	24	480	U 20
Idaho†	6.00	50.00	10	11.00	150	13+	15.00	250	16+	16.00	272	**17	**18	**306	**17
Illinois	Incl.	Incl.	Incl.	12.50	230	18+	**20.00	350	17+	**20.00	500	25	**20	**520	**25
Indiana†	Incl.	Incl.	Incl.	10.00	150	15	16.00	250	15+	**20.00	375	18+	**20	**400	**20
Iowa	5.00	66.67	13+	10.87	196	**18	17.39	313	**18	**18.00	**324	**18	**18	**324	**18
Kansas	5.00	67.00	13+	10.00	200	**20	**16.00	**320	**20	**16.00	**320	**20	**16	**320	**20
Kentucky†	5.00	100.00	U 20	8.00	160	U 20	12.00	240	U 20	15.00	300	U 20	**16	**320	U 20
Louisiana†	4.00	50.00	12+	10.00	150	15	16.00	250	15+	**18.00	**360	**20	**18	**360	**20
Maine†	5.00	100.00	U 20	9.00	180	U 20	13.00	260	U 20	17.00	340	U 20	**20	**400	U 20
Maryland	Incl.	Incl.	Incl.	13.00	150	11+	**20.00	250	12+	**20.00	375	18+	**20	**520	**26
Massachusetts	6.00	60.00	10	13.00	180	13+	**21.00	300	14+	**21.00	450	21+	**21	**483	**23
Michigan†	Incl.	Incl.	Incl.	12.50	180	14+	**20.00	250	12+	**20.00	375	18+	**20	**400	**20
Minnesota†	7.00	84.00	*12	11.00	198	18	14.00	266	19	19.00	380	**20	**20	**400	**20
Mississippi†	4.00	56.00	U 14	10.00	140	U 14	**15.00	**210	U 14	**15.00	**210	U 14	**15	**210	U 14
Missouri†	4.00	40.00	10	10.00	120	12	16.00	200	12+	**18.00	**288	**16	**18	**288	**16
Montana†	5.00	80.00	U 16	10.00	160	U 16	**15.00	**240	U 16	**15.00	**240	U 16	**15	**240	U 16
Nebraska	5.00	67.00	13+	10.00	150	**18	16.00	288	**18	**18.00	**324	**18	**18	**324	**18
Nevada†	8.00	67.00	8+	13.00	200	15+	**18.00	334	18+	**18.00	**360	**20	**18	**460	**20
New Hampshire†	6.00	120.00	U 20	0.00	180	U 20	13.00	260	U 20	17.00	340	U 20	**20	**400	U 20
New Jersey	9.00	90.00	*10	12.00	200	16+	19.00	334	17+	**22.00	500	22+	**22	**572	**26
New Mexico†	5.00	67.00	13+	10.00	160	**16	**15.00	**240	**16	**15.00	**240	**16	**15	**240	**16
New York	Incl.	Incl.	Incl.	11.00	288	U 26	17.00	442	U 26	**21.00	**546	U 26	**21	**546	U 26
North Carolina†	5.00	80.00	U 16	9.50	152	U 16	12.50	200	U 16	15.00	240	U 16	**20	**320	U 16
North Dakota	5.00	100.00	U 20	11.00	220	U 20	18.00	360	U 20	**20.00	**400	U 20	**20	**400	U 20
Ohio†	5.00	60.00	13	11.00	220	**22	16.00	352	**22	19.00	418	**22	**21	**564	**22
Oklahoma	6.00	67.00	11+	13.00	200	15+	**18.00	334	18+	**18.00	**360	**20	**18	**360	**20
Oregon†	10.00	50.00	*5	12.00	150	12+	15.00	250	16+	**18.00	**360	**20	**18	**360	**20
Pennsylvania	Incl.	Incl.	Incl.	10.00	170	17	16.00	288	18	**20.00	**400	**20	**20	**400	**20
Rhode Island†	7.25	48.75	8+	13.00	124	9+	**18.00	205	11+	**18.00	306	18+	**18	**365	**20+
South Carolina	4.00	64.00	U 16	10.00	160	U 16	16.00	256	U 16	**20.00	**320	U 16	**20	**320	U 16
South Dakota	6.00	80.00	13+	12.00	160	13+	**15.00	240	16	**15.00	**300	**20	**16	**300	**20
Tennessee†	5.00	80.00	U 16	10.00	160	U 16	**15.00	**240	U 16	**15.00	**240	U 16	**15	**240	U 16
Texas†	5.00	40.00	8	10.00	120	12	15.50	200	12+	**18.00	**240	**18	**18	**240	**18
Utah†	7.00	115.00	16+	16.00	299	**18+	**25.00	**460	**18+	**25.00	**460	**18+	**25	**460	**18+
Vermont	6.00	120.00	U 20	11.00	220	U 20	16.00	320	U 20	**20.00	**400	U 20	**20	**400	U 20
Virginia†	4.00	48.00	12	10.00	150	15	**15.00	**240	**16	**15.00	**240	**16	**15	**240	**16
Washington†	Incl.	Incl.	Incl.	10.00	150	15	13.00	217	19	18.00	432	24	24	624	**26
West Virginia†	Incl.	Incl.	Incl.	11.00	231	U 21	15.00	315	U 21	18.50	388	U 21	**20	**420	U 21
Wisconsin†	8.00	78.00	9+	11.00	170	15+	16.00	256	16	**20.00	390	19+	**20	450	22+
Wyoming	7.00	60.00	8+	13.00	160	12+	**20.00	260	13	**20.00	380	19	**20	**400	**20
<i>Basic benefit plus maximum allowances for dependents</i>															
Connecticut	Incl.	Incl.	Incl.	15.00	240	16	21.00	364	17+	25.00	500	**20	**28	**560	**20
District of Columbia	9.00	150.00	16+	14.00	280	**20	**20.00	**400	**20	**20.00	**400	**20	**20	**400	**20
Michigan	Incl.	Incl.	Incl.	19.23	180	9+	**28.00	250	8+	**28.00	375	13+	**28	525	18+
Nevada	14.00	67.00	4+	19.00	200	10+	**24.00	334	13+	**24.00	**380	15	**24	**360	15

† No change in 1945.

‡ No legislative session in 1945.

* Indicates minimum weekly benefit amount, minimum potential annual benefits, or minimum weeks of benefits for total unemployment.

** Indicates maximum weekly benefit amount, maximum potential annual benefits, or maximum weeks of benefits, other than uniform duration.

†† "U" indicates uniform duration for all eligible claimants.

"Incl." indicates ineligible on basis of qualifying wages.

1 See text footnote 2 for dates when 1945 amendments are effective. See tables 1 and 7 for a statement of the benefit formula in each State, and for States in which benefits here stated may be reduced if solvency of the fund is threatened.

2 Base period of 8 quarters. If in preceding 4 quarters unchanged wage credits were equal to wages assumed for 4 quarters, maximum potential benefits in a benefit year would be doubled, to maximum specified in State law.

3 Assumes most favorable distribution of base-period wages in all 4 quarters; concentration in 2 quarters would limit benefits to 8 weeks.

4 See below for benefit with maximum compensable dependents under State law.

5 Assuming \$150 wage credits in last 2 quarters of base period; otherwise, claimant would be ineligible.

6 Annual-wage formula; high-quarter wages not used in computing weekly benefit amount.

7 Assuming that A has the minimum employment of 20 weeks and B to E, 25 weeks. If A had 25 weeks he would be eligible for 22 weeks of benefits or \$110.

8 Actual benefits are paid for 2-week periods at twice the amounts specified.

9 Benefits are figured with present cost-of-living adjustment above normal scale of \$5-20, since weeks of duration are reduced below the normal of 23 uniform.

10 Benefits are figured on further assumption that the high quarter represents 13 weeks of employment and all base-period employment was with 1 employer and at the same average wage. Claimant A actually has a minimum of \$6 for 13 weeks, but law provides for payment at the rate of \$8 with reduced weeks of duration.

benefits through the interstate benefit payment procedures. Others will have their multistate wages combined for benefits. Workers will thus become more conscious of the differences in potential benefits for the same wage credits in different States (chart 1). As can be seen from the different States mentioned as examples in this section, some State laws are liberal or illiberal at all wage levels; others are below average in weekly benefits at the lower wage levels but above average in weekly and annual benefits at the higher wage levels. Still others have liberal formulas which give high benefits at the lower wage levels, but low maximum amounts keep down benefits for those earning higher wages. Thus, the interstate differences in benefit rights will affect different claimants in diverse ways.

Eligibility Requirements

Wage Qualification for Benefits

The 1945 legislatures made comparatively few changes in the formulas for employment or wage qualification for benefits or in the base periods utilized as eligibility periods (see p. 10). Wisconsin continued to require 14 weeks of employment as a test of attachment to the labor force; Ohio continued its requirement of 20 weeks of employment and base-period earnings of \$160; all the other States measure attachment to the covered labor force in terms of wages in a specified past period (table 7).

Twenty-one States with a high-quarter formula—9¹⁶ with uniform duration and 12¹⁶ with variable duration—continued to use, as qualifying wages, a multiple of the weekly benefit larger than the fraction of high-quarter wages used to compute weekly benefit amount. Thus, for all workers except those receiving more than the maximum specified high-quarter earnings, these States would require earnings in more than 1 quarter of the base period.

Some interesting changes were made in the arithmetic of qualifying-wage requirements in addition to changes in minimum and maximum benefit amounts which automatically increase the minimum and maximum qualifying amounts under these for-

mulas. With the increase from 20 to 26 in weeks of uniform potential duration, New York increased the qualifying-wage requirement from 25 to 30 times the weekly benefit amount. North Dakota, though increasing uniform duration (from 16 to 20 weeks) as well as maximum weekly benefit amount (from \$15 to \$20), reduced the multiple of weekly benefit required from 30 to 28.

Delaware changed from a qualifying-wage requirement of \$200 to 30 times the weekly benefit amount (\$7-18) except for seasonal workers. Pennsylvania, which had set up its qualifying wages in benefit tables, requiring for a minimum duration of 7 weeks of benefits a varying multiple of the weekly benefit amount—from about 12½ times the \$8 minimum to 26 times the \$18 maximum—changed to a uniform requirement of 30 times the weekly benefit amount, with an increase in minimum duration to 9 weeks.

Twenty States express their qualifying wages in terms of a dollar amount. These are designated "flat" in the column describing the qualifying-wage formula in table 7. Actually the qualifying amount in these States applies only to the minimum benefit amount. Eight¹⁷ of these 20 States have an annual-wage formula. In these States the qualifying wage for the weekly and annual amounts above the minimum are specified in a table of base-period wages. In California, Connecticut, Rhode Island, and South Dakota, the qualifying amount for each specified amount of annual benefits is given in a table, and the qualifying high-quarter wages for each weekly benefit amount is given in a separate formula or table. In 8 States¹⁸ the dollar amount stated qualifies for minimum benefits; for the higher weekly benefit amounts the qualifying amount is inherent in the high-quarter wage formula; for any specified duration of benefits the qualifying amount is a function of the fraction utilized in the computation of maximum potential duration of benefits from base-period wages. In Indiana, Kansas, Michigan, and Ohio the dollar qualifying requirement is supplemented by another requirement of employment in a specified number of quarters or weeks.

States which express the qualifying amount as a flat amount also made changes. When West Virginia, with an annual-wage formula, increased the maximum amount from \$18 to \$20 and uniform duration from 16 to 21 weeks, the minimum qualifying wage was increased from \$250 to \$300, the qualifying wage for the old \$18 from \$1,250 to \$1,400, and the maximum qualifying wage (for \$20) was set at \$1,800. When Washington changed to an annual-wage formula and increased the minimum weekly benefit from \$7 to \$10 and the maximum from \$15 to \$25, qualifying wages at all levels were increased. New Hampshire, however, in increasing from 18 weeks (uniform) at \$18 to 20 weeks (uniform) at \$20, made no increase in qualifying wages. In fact, for benefit amounts of \$14-18, qualifying wages are reduced and the maximum qualifying wage of \$2,000 prevails for the new increased amount and duration. Connecticut, with a high-quarter benefit formula and a flat qualifying amount, increased the qualifying amount for minimum benefits from \$144 to \$240, with the increase in minimum benefits from \$6 to \$8 (\$12 with dependents' allowances).

Altogether 24 States increased the maximum qualifying amount in connection with increases in the maximum potential benefits. The largest increase was in Washington—from \$720 to \$2,200.

Four States which express the qualifying wage in terms of a multiple of the weekly benefit amount which is less than the figure used in the fraction of high-quarter wages have in fact only a flat qualifying wage applicable to the minimum benefit amount. Iowa, which increased the qualifying amount from 15 to 18 times the weekly benefit amount, still has a qualifying requirement which applies only at the minimum. The same situation prevails in Arkansas, with a qualifying wage of 22 times the weekly benefit amount (1/26 of high-quarter wages), and in Texas, which increased from 8 to 9 times the bi-weekly benefit (1/13 of high-quarter wages). In the District of Columbia, claimants with benefit rates of \$6-10, inclusive, must have base-period earnings equal to 25 times their weekly benefit amount; other claimants can qualify with base-period earnings of \$250, which is less than the high-quarter earnings required for benefit amounts of \$12 or more. In Virginia,

¹⁶ Georgia, Hawaii, Mississippi, Montana, New York, North Dakota, South Carolina, Tennessee, Vermont.

¹⁷ Alabama, Alaska, Colorado, Florida, Idaho, Louisiana, Maryland, Missouri, Nevada, New Mexico, Utah, Wyoming.

¹⁸ Kentucky, Maine, Minnesota, New Hampshire, North Carolina, Oregon, Washington, West Virginia.

¹⁹ Illinois, Indiana, Kansas, Massachusetts, Michigan, Nebraska, New Jersey, Ohio.

where the weekly benefit amount is 1/25 of the high-quarter earnings raised to the next higher dollar and the qualifying amount is 25 times the weekly benefit amount, claimants above the minimum need, in addition to their high-quarter earnings, only the difference between 25 times the computed weekly benefit amount and 25 times the adjusted benefit. Similarly, in Oklahoma, which changed from 22 to 20 times the weekly benefit amount, claimants whose benefit amount is not raised to the minimum automatically qualify except for the amount involved in rounding, since the weekly benefit amount is 1/20 of high-quarter earnings.

In Arizona (which retains a base period of 8 quarters, extended to include "the next to the last completed calendar quarter immediately preceding any week with respect to which benefits are payable"), the eligibility requirement may be a test of recent employment. There a claimant must have earned 14 times his weekly benefit amount in the first 3 of the last 4 completed calendar quarters—a requirement which has no effect if 1 of these 3 quarters is the quarter of highest earnings.

Special interest centers in the minimum qualifying amount because this amount determines what workers in a State are included in unemployment compensation protection and what low-wage groups are excluded, though contributions are paid on their earnings. Eleven States¹⁹ increased their minimum qualifying amounts in 1945, and Nevada, North Dakota, and Oklahoma reduced these amounts. If the qualifying wage is set too high, too many workers in covered occupations will not be eligible for benefits should wartime wage levels in a State decline appreciably. If the qualifying wage is set too low, workers may be brought into the system for negligible amounts of benefits.

The relation of minimum annual benefits to minimum qualifying wages is shown in table 9. While there is a general correlation between minimum qualifying wages and annual benefits for the claimant at the minimum, there are great differences depending on the type and specifications of the benefit formula. For example, \$140 qualifies a claimant for \$35 in Idaho

¹⁹ Alabama, Connecticut, Delaware, Iowa, Maine, New York, Pennsylvania, Texas, Washington, West Virginia, Wisconsin.

and for \$100 in North Dakota, and \$300 qualifies for \$120 in Washington, \$160 in California, \$168 in West Virginia, and \$260 in New York.

Waiting Period

The trend toward reduced waiting periods continued. Seven States (California, Nevada, New York, North Dakota, Ohio, Oregon, and Pennsylvania) reduced their initial waiting periods from 2 weeks to 1 week, and Maryland eliminated its 1-week waiting period. Only 12 States²⁰ retain the 2-week initial waiting period, and these States contain only 9 percent of the covered workers of the country. Maine and Vermont joined the ranks of the States which count a week of partial unemployment as the equivalent of a week of total unemployment. There remain 8 States²¹ (with 13 percent of the covered workers) which require an initial waiting period of 2 weeks if it is served in partial unemployment, and Iowa, which requires 4 weeks of partial unemployment.

Montana eliminated the requirement of an additional 2-week waiting period after reemployment for 13 or more weeks, and Alabama dropped the requirement of 1 week within 13 weeks preceding a compensable week (except in case of consecutive weeks of unemployment). There remain only 2 States which require additional waiting periods within a benefit year: Missouri, which requires 1 week preceding a period of unemployment but not more than 2 weeks of total unemployment in a benefit year, and Texas, which requires 1 week whenever 35 days elapse between claims.

Thus, almost three-fourths of the covered workers in the country are now covered by State laws which require only one waiting period with respect to a benefit year, and that waiting period may be a week of total or a week of partial unemployment. Twenty-two States have more stringent waiting-period requirements; in some of them, claimants may have to serve much longer waiting periods. Three States²² moreover, provide that the waiting period may be increased if the solvency of the fund is endangered.

²⁰ Alaska, Colorado, Georgia, Idaho, Iowa, Minnesota, Mississippi, Montana, Nebraska, Vermont, Wisconsin, Wyoming.

²¹ Alabama, Arizona, Massachusetts, Missouri (if earnings are more than \$5), New Hampshire (if earnings are more than \$2), North Carolina, Rhode Island, Tennessee.

²² Massachusetts, Oregon, Rhode Island.

Changes in Availability Requirements

All unemployment compensation laws have provided that claimants must be able to work and available for work. In 1945, 3 States—Maryland, Montana, and Nevada—modified this requirement by a provision that no claimant will be considered ineligible for failure to report at an employment office in any week of unemployment if such failure is due to an illness or disability which occurs after he has registered for work and if no work which would have been considered suitable, but for his disability, has been offered after the beginning of his disability. This provision is more limited than that in the Servicemen's Readjustment Act in that benefits may continue only until there is an offer and refusal of suitable work. It is considered that, when lack of work is the initial cause of unemployment, it continues to be the primary cause, even though illness or disability intervenes, so long as no suitable work is available for the claimant.

Minnesota modified the requirement that a claimant must be able to work and available for work by providing for payments for less than a week when claimants are unable to work or unavailable for work for part of the week. The weekly benefit amount is to be reduced one-fifth for each day that a claimant is unable to work or unavailable for work. Three other States—Illinois, Indiana, and Washington—have such a provision. In Illinois and Indiana, one-third of a week's benefit is deducted for each day of disability or unavailability. In Washington the provision is limited to unavailability; one-sixth of the weekly benefit amount is deducted for each day but a claimant who is unavailable for 3 or more days in the week is considered unavailable for the entire week.

Disqualification From Benefits

In recent years, liberalizations of the benefit formulas in the laws of many of the States have been accompanied by the adoption of increasingly restrictive disqualification provisions.²³ With each succeeding legislative ses-

²³ For a full discussion of these provisions see Clague, Ewan, and Reticker, Ruth, "Trends in Disqualification From Benefits Under State Unemployment Compensation Laws," *Social Security Bulletin*, Vol. 7, No. 1 (January 1944), pp. 12-23.

sion, for example, more States have disqualified a claimant who left voluntarily, unless he could show good cause attributable to his employer or his employment. Moreover, in an increasing number of States he might be subject to disqualification even though he had had bona fide employment after the separation. In addition, the relatively brief postponement of benefit rights which was imposed in disqualification cases under most of the original laws has been changed in many States to a prolonged postponement or even a reduction or cancellation of such rights. It is therefore important to appraise the changes made in the disqualification provisions in 1945 in comparison with these recent trends.

Of the 36 States which have amended their unemployment compensation laws to date, only 13²⁴ have made changes in the major disqualifications, namely those for a voluntary separation, a discharge for misconduct, or a refusal of suitable work. Seven of the 13 have apparently liberalized these provisions in one or more respects, 4 have made the provisions more stringent, and in 2 States the results are mixed. Twelve of the States made some change in the length of the disqualification period or other penalty for the disqualification; 7 also made changes in the definition of disqualifying acts. Many of the States with the most drastic provisions, however, failed to amend them.

Good Cause for Voluntary Separation

Ohio and Washington removed the "attributable to the employer" limitation on the cause which may justify a voluntary separation. Iowa and Wisconsin retained the limitation but modified its severity by adding exceptions to its operation. For example, under its amended law, Iowa will not disqualify a claimant who leaves a job solely to accept better employment and remains on the new job for at least 12 weeks. In Wisconsin no disqualification will be imposed if a claimant left "for a compelling personal reason." The Wisconsin amendment, however, made other changes in this provision. For example, it omits the provision under the old law that a claimant who had

worked on a job for 12 weeks or less would not be disqualified for leaving that job if it would not have been considered "suitable work" if he had refused it. The 1945 amendments thus reduce the States which limit "good cause" to cause attributable to the employer from a high of 20 States to 18 States (with 29 percent of the covered workers), and in 2 of the 18 the provision is modified.

Most Recent Work

South Carolina and West Virginia also made changes in the grounds for disqualification. Under its previous law, South Carolina disqualified a claimant who was discharged for misconduct only if the misconduct was "connected with his most recent work." Now the disqualification can be imposed if the misconduct is found by the State commission to have constituted reasonable grounds for the discharge. Although the effect of the amendment will depend entirely on the agency's interpretation, the law itself no longer requires that the misconduct be connected with the work and could be interpreted to justify a disqualification for misconduct which bears no direct relation to the job or a disqualification of a claimant who has had employment following a discharge and whose current unemployment is due solely to a lack of suitable work. In West Virginia, on the other hand, the amended law does not permit the imposition of a disqualification for a voluntary separation or a discharge for misconduct unless the separation was from the claimant's most recent employment or the discharge by the claimant's last employing unit.

Changes in Disqualification Period

The changes in the disqualification period are mainly increases. Indiana increased the disqualification period from 3 to 5 weeks for all three causes. Minnesota increased the period of disqualification for voluntary quit and discharge for misconduct from 3 weeks to a discretionary period of 3-7 weeks but removed the cancellation of benefit rights. Oregon extended the disqualification period (2 weeks for voluntary quit, 2-5 weeks for discharge for misconduct, and 4 weeks for refusal of suitable work) by requiring bona fide employment in 2 separate calendar weeks and earnings of \$50 before a claimant may again be eligible for benefits. South Carolina

increased the disqualification period for a discharge for misconduct from a period of 1-9 weeks to 1-16 weeks.

California put all its disqualifications on the basis of the Servicemen's Readjustment Act—a 1-4 week disqualification for all causes, replacing 1 week for voluntary leaving and 1-5 weeks for discharge for misconduct and refusal of suitable work. In addition, the law gives the commissioner the discretion to impose an additional disqualification period of 8 weeks on any claimant who has been subject to successive disqualifications. Washington also limited the disqualification period for all causes to not more than 4 weeks, a reduction from the previous 1-5 weeks for suitable work and 2-5 weeks for voluntary leaving and discharge for misconduct.

Under its former law, Nebraska imposed an additional penalty on claimants already subject to a disqualification for a voluntary separation, by disqualifying them for any week in which they failed to report in person to an office of the Nebraska State employment service. This additional penalty was eliminated in the current legislative session.

Cancellation of Benefits

The remaining changes in these provisions are concerned with the reduction or cancellation of benefit rights. Provisions for reduction or cancellation were eliminated in Maryland (for all three grounds for disqualification), Minnesota (for a voluntary separation or a discharge for misconduct), Ohio (for a voluntary separation), and Wisconsin (for a refusal of suitable work). In Wisconsin, however, benefits are not payable to a claimant who has refused suitable work without good cause until he has been employed for at least 4 weeks and earned wages at least equal to 4 times his weekly benefit amount. In a period of depression, when few jobs are obtainable, this provision may amount to a complete denial of benefit rights. West Virginia, on the other hand, retained a provision for the reduction of benefit rights for all three grounds but provided for restoration of the amount of the reduction if the claimant returns to covered employment during the benefit year. North Carolina is the only State which has added a provision for the reduction of benefit rights; it applies to disqualifications for refusal of suitable work.

²⁴ California, Indiana, Iowa, Maryland, Minnesota, Nebraska, North Carolina, Ohio, Oregon, South Carolina, Washington, West Virginia, Wisconsin.

The provisions on cancellation or reduction of benefits may be summarized as follows:

Cause	Number of States	Percentage of covered workers in these States
Total.....	26	42.7
Voluntary leaving.....	17	22.0
Discharge for misconduct.....	19	30.1
Refusal of suitable work.....	21	33.0

Availability Provisions

Affecting Women

In addition to these changes in the disqualification provisions, Nebraska and North Dakota amended their "availability" requirements to add what are in effect special disqualifications applicable to pregnant women. Both States had formerly disqualified women who left work because of marriage. The Nebraska law now provides also that no woman who has left her work voluntarily because of pregnancy shall be deemed to be available for work and that no woman shall be eligible for benefits for a period beginning 12 weeks prior to childbirth and ending 4 weeks after childbirth. The commissioner may require a doctor's certificate to establish the date. The amended North Dakota law includes a similar provision covering pregnant women, but permits a woman to establish her availability as a fact by a medical certification of her ability to work or her work record during previous pregnancies. The amendment eliminates the disqualification of women who leave because of marriage but, in the availability requirement, provides that a woman who, because of approaching marriage or marital obligations, leaves work voluntarily for an indefinite period to engage in the occupation of homemaker shall be considered unavailable for work until her availability is shown by evidence in addition to a registration for work. Such evidence may include (but is not limited to) a change in the conditions which led her to leave work initially, the fact that arrangements have been made for the care of the home, that there is need for her financial contribution to the home, or that she has made efforts to obtain work.

Coverage

With a few outstanding exceptions, the extension of coverage received rather tentative treatment in the 1945

legislatures; the States are awaiting action by the Federal Government before extending their laws to cover groups now exempt from taxation under the Federal Unemployment Tax Act.

Eight²⁶ States adopted amendments which extend coverage to any employers liable under the Federal act. All the amendments except that of Nevada will result in automatic coverage under the State law of any groups covered by the Federal act. Nevada provided only for the coverage of workers engaged in agriculture, domestic service, and service for non-profit organizations if the Social Security Act is amended to cover these groups.

Size of Firm

Alaska, California, and Maryland extended liability to include all employers who employ any workers in covered employment. This brings to 16²⁷ the number of States which provide unemployment insurance protection to workers regardless of the size of the establishment in which they happen to work. Among the more highly industrialized States, only California, Massachusetts, and Pennsylvania cover employers of 1 or more; 22 States,²⁷ including Michigan and Texas of the more populous States, retain the limit of 8 or more set in the Federal Unemployment Tax Act.

In Alaska, California, and Maryland, liability of the employer of 1 or more is without restriction as to the extent of the employment. Broadly, the amendments define "employer" as an employing unit which for some portion of a day has had 1 or more individuals in employment. Infrequent and isolated instances of employment come within the definition of "casual labor" listed among the employment exclusions. The California amendment makes subject any employer who pays wages in excess of \$100 during any calendar quarter to workers in covered employment.

²⁶ Alabama, Delaware, Illinois, Nevada, North Carolina, Pennsylvania, West Virginia, Wisconsin.

²⁷ Alaska, Arkansas, California, Delaware, District of Columbia, Hawaii, Idaho, Maryland, Massachusetts, Minnesota, Montana, Nevada, Pennsylvania, Utah, Washington, Wyoming.

²⁸ Alabama, Colorado, Florida, Georgia, Indiana, Iowa, Kansas, Maine, Michigan, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia.

New Jersey, the only other State to make any notable extension of coverage by amendment to its size-of-firm provision, changed from coverage of 8 or more in 20 weeks to 4 or more in 20 weeks. Kansas and Nebraska retained coverage of 8 or more in 20 weeks but amended their provisions to include employers who employ a considerable number of persons for shorter periods. The Kansas amendment extends liability to employers of 25 or more persons in 1 week. The Nebraska amendment makes any employer subject if he has a pay roll of \$10,000 or more in any calendar quarter.

Maritime Employment

The largest number of changes in coverage amended or deleted the exclusion of maritime employment in 13 States. Seven extended coverage to all or some maritime workers immediately; 6 States made coverage contingent upon action by Congress or by other States. New Jersey authorized the State's entering into reciprocal arrangements on maritime coverage with other States. Georgia authorized the adoption of rules and regulations voiding the exclusion if and when appropriate because of action by other States. Alabama and North Carolina will cover maritime workers when maritime employers are subject to the Unemployment Tax Act. Wisconsin's amendment is contingent upon both Federal extension and reciprocal agreements with other States on maritime coverage. Texas authorized the commission to enter into reciprocal arrangements with other States or the Federal Government whereby services on vessels engaged in interstate or foreign commerce for a single employer, wherever performed, may be covered under the Texas law.

Pennsylvania's amendment gives broad coverage; it not only limits the exclusion to service performed as an officer or member of the crew of a vessel not an American vessel but covers an individual's entire service as an officer or member of an American vessel, wherever performed and whether in interstate or foreign commerce, if the operating office from which the American vessel is ordinarily controlled is in Pennsylvania. The Illinois amendment permits coverage of officers and members of the crew of an American vessel, and the agency has begun making coverage

determinations. Ohio adopted a provision which extends coverage to Great Lakes seamen on a seasonal basis. The season runs for 40 calendar weeks beginning with the fourth Sunday in March. There are special benefit qualifications, with the seamen's benefit rights limited to wage credits earned in the season. Iowa and West Virginia extended coverage to workers engaged in river traffic by deleting their exclusions.

Oregon and Washington made provision for coverage of maritime workers who are not engaged primarily in interstate or foreign commerce. The Washington law covers services performed as an officer or member of a crew of a vessel or other craft having its home port in the State, operated by an employer of the State, and primarily engaged in navigation of the territorial waters of the State. Moreover, the amendment will permit coverage of the workers in interstate and foreign commerce when and "to the extent that permission is given by the Congress of the United States." Oregon provides similar coverage with the significant exception that the services of officers and members of crews of vessels primarily engaged in the transportation of fish or fishery products are excluded; its amendment does not provide for more extended coverage in the event of congressional action.

The new legislation increases to 28 the number of States which provide, or are ready to provide, some maritime coverage. Nineteen States now provide limited or broad coverage, 3 additional States are ready to enter into special arrangements with other States on maritime coverage, and 6 States will cover maritime workers if and when maritime employers are made subject to the Federal Unemployment Tax Act. These include 3 States which make specific reference to maritime coverage in the event of congressional action and 3 with amendments which extend coverage to any groups subject to the Federal tax. Of the 23 States retaining an over-all maritime exclusion, 10 are coastal States, 1 is on the Great Lakes, 1 on the Ohio River, and 1 on the Mississippi.

Other Excepted Services

Extension of coverage in other areas of employment was limited.

Service for State and local governments.—Maryland, Nevada, and Washington adopted amendments af-

fecting government employees. The Washington amendment ensured coverage of services performed for public utility districts and public power authorities by specifying that the exclusion of governmental services did not apply to these groups. Maryland extended the right of elective coverage to the State, the city of Baltimore, any political subdivision, and to any instrumentality wholly owned by such government groups. Excepting elected officials, Nevada extended the right of elective coverage to all departments of the State government and to the subdivisions of the State.

Service for nonprofit organizations.—Only Hawaii extended coverage to employees of nonprofit organizations. Since the deleted exclusion was rather comprehensive, the increased coverage is significant. It includes employees of any community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to animals. The clergy and members of religious orders are still excluded.

Agriculture and domestic service.—No advance was made in the extension of coverage to either agricultural labor or domestic workers. New Hampshire joined the list of States—now 31 in all—which have adopted for purposes of exclusion the definition of agricultural labor in the Federal act.

Financial Amendments

Amendments to Fund Provisions

Indiana and Wisconsin deleted their reserve-account provisions and provided that all moneys in the unemployment fund be mingled and undivided. These changes reduced to 4 the number of reserve-account States and increased to 47 the pooled-fund States. The change was made in anticipation of the effect, during the postwar period, of the requirement in the Federal Unemployment Tax Act that no reduced rate may be permitted to a reserve account unless the balance in the account amounts to not less than 5 times the largest amount of compensation paid from the account within any 1 of the 3 preceding years. It was feared that benefit payments following the termination of war contracts might rise to a point which would result in unduly sharp and arbitrary increases in rates of many em-

ployers even though ample funds were available to meet all benefit requirements.

Experience Rating

New York adopted experience rating of employers, thus bringing to 45 the number of States with such provisions. The New York provision, however, departs from all precedents. It provides for the distribution of a "surplus" in the form of credits against the tax for the ensuing year. A "surplus" exists only if, at the close of the fiscal year, the balance in the unemployment fund is at least 10 percent in excess of 4 times the amount of contributions collected in the preceding year. The distribution is limited to 60 percent of the "surplus" and is made in accordance with relative risk of unemployment. The factor used to measure this risk is a combination of annual pay-roll declines, quarterly pay-roll declines, and the number of years the employer has been contributing to the fund. In the final experience-rating index, greatest weight is given the experience with annual pay-roll declines, on the theory that these declines reflect changes in the general level of business activity and cause the greatest drain on the fund. Next in weight are the quarterly pay-roll declines, which reflect irregular and seasonal unemployment. Still less weight is given for the number of years (up to 8) during which the employer has been contributing to the fund, on the theory that the risk of unemployment is greater during the early years of a business because the mortality rate among new firms is high.

The taxable pay roll over a period of 3 years is used in measuring the annual declines, and total remuneration over the same period is used in measuring the quarterly declines. The use of factors which are in no way related to the benefit experience of individual workers does away with the problems inherent in attempts to identify the employer who is to be "charged" with the benefits. It also should lessen the number of contests over claimants' right to benefits.

Noncharging of Benefits

A few amendments excepted certain benefit payments from charging to employers' accounts under the experience-rating provisions of State laws. Maine, Minnesota, and West Virginia adopted exceptions relating to dis-

qualifications. In Maine, no charges will be made if benefits are paid to an individual who was separated from his last employer because of misconduct in connection with his employment, if he left voluntarily without good cause attributable to his last employer, or if, without such good cause, he refused reemployment in suitable work when offered by his last employer. Minnesota, while excepting charges for discharges for misconduct and voluntary quits in similar circumstances, went beyond the Maine amendment in listing personal or other causes which should be considered in noncharging, such as separation because of illness or pregnancy, assuming the duties of a housewife, or a labor dispute. The West Virginia amendment relates to benefits paid following a period of disqualification when the cause for the disqualifying act is not attributable to the employer.

As an incentive for the employment of handicapped workers, Delaware adopted an amendment which exempts from charges benefits paid to a handicapped worker who becomes unemployed during a 90-day period of probationary employment. Georgia, Maine, and Minnesota adopted amendments which exempt from charges benefits paid to ex-servicemen on the basis of frozen wage credits.

War-Risk Provisions

Georgia and Kansas adopted war-risk contributions for the first time, and Wisconsin adopted a provision which makes permanent the policy of an added tax in cases of rapid business expansion.

The Georgia provision is effective for the years 1945 and 1946. It imposes a rate of 2.7 percent on that portion of the employer's taxable pay roll which is in excess of 300 percent of his 1941 taxable pay roll or of \$150,000, whichever is greater. The Kansas provision, effective on and after January 1, 1945, imposes the 2.7-percent rate on employers who have pay rolls of \$500,000 or more, if the pay rolls have increased 300 percent or more over their 1940 pay rolls. The war-risk provision in Wisconsin expires at the close of 1945. The amendment, which adds 0.5 percent to an employer's contribution rate if his pay roll is \$50,000 or more and has increased 20 percent or more over the prior year's pay roll, will become ef-

fective in 1947 on the basis of increases in the 1946 pay rolls.

Several other States amended their war-risk provisions. Both the Iowa and Maryland amendments excluded certain employers from liability for the war-risk tax. In Iowa the exemption was extended from employers with pay rolls of \$30,000 or less to employers with pay rolls of \$200,000 or less. In Maryland all employers with pay rolls of \$50,000 or less are now exempt. Ohio extended the life of its provision from December 1945 to December 1947.

No action was taken to extend the life of the war-risk provisions of Alabama, Illinois, Iowa, and Missouri. The Missouri provision is not effective after June 30, 1945. The Illinois and Iowa provisions will expire on December 31, 1945, and the Alabama provision, on March 31, 1946. Therefore, in the absence of further legislative action, after March 31 of next year the number of States with these special revenue provisions will be reduced from 12 to 8.

Voluntary Contributions

Iowa joined the growing list of pooled-fund States which make provision for voluntary contributions. The idea of voluntary contributions developed in the reserve-account States. Under the principles inherent in reserves maintained by individual employers for the payment of benefits to their unemployed workers, the condition of the reserve was of primary importance. Whether the necessary balance in the account was maintained by voluntary contributions or by required contributions seemed immaterial. All reserve-account States²⁸ therefore made provision for voluntary contributions.

Some pooled-fund States with the reserve-ratio type of experience-rating systems have adopted the idea. Their laws permit the payment of voluntary contributions even though the maintenance of individual reserves at a specified level is not essential to the payment of benefits. The incentive for the payment of voluntary contributions is none the less present, since such contributions increase the credit side of an employer's experience-rating ledger with the result

that the cost of the voluntary contributions may be more than offset in a lower tax rate for the ensuing year.

Minnesota, which bases contribution rates on the ratio of benefits to pay roll, is the first State which does not use contributions in its experience-rating formula to adopt voluntary contributions. The amendment, which allows the payment of such contributions, represents another attempt to combine reserve-account and pooled-fund philosophies. It permits an individual employer to pay the equivalent of the amount received by his workers in benefits whenever the benefits are less than \$300 during the 3-year period used for the rate computation. When he has made such a payment, the charges against his account will be canceled and he will be assigned the minimum contribution rate for the ensuing year.

Before the 1945 legislative sessions, 4 pooled-fund States²⁹ had such provisions. The number is now increased to 8 because of the new provisions adopted in Iowa and Minnesota and the shift of Indiana and Wisconsin from reserve-account to pooled-fund systems.

Establishment of Special Administrative Funds

Thirteen States³⁰ created new special funds for the deposit of interest and penalties on past-due contributions, thus freeing these particular revenues from the requirement of the Social Security Act and the Internal Revenue Code that all money withdrawn from the unemployment fund of the State shall be used solely in the payment of benefits, and making available to the agency an administrative fund free from the controls of title III. Colorado, Kentucky, Missouri, and Wisconsin already provided special funds. The Wisconsin law requires a special contribution of 0.2 percent to its administrative fund but authorizes the commission to lower the tax in accordance with the relative cost of services rendered by the commission to different classes of employers. Since July 1, 1938, no contribution has been required. The Missouri special fund was established on July 1, 1941, for the deposit of in-

²⁸ Colorado, Missouri, Ohio, South Carolina.

²⁹ For the calendar year 1944 the laws of Indiana, Kentucky, Nebraska, North Carolina, South Dakota, and Wisconsin were certified by the Social Security Board as meeting reserve-account requirements.

³⁰ California, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Minnesota, Montana, Nevada, Pennsylvania, Texas, West Virginia.

terest, penalties, and voluntary contributions. Its purpose was to meet administrative costs which could not properly be charged to title III funds.

On the whole the new funds follow the Missouri precedent. Illinois, Kansas, and West Virginia limit the deposits to their special funds to interest on contributions. All others include interest and penalties. Indiana and Maine add voluntary contributions, and Minnesota and Montana, special legislative appropriations. California and Georgia add fines.

The specific purposes to be served by the funds show relatively little variation. In general the money is to

be used (1) to meet administrative costs which are not properly chargeable against Federal administrative grants or other funds; (2) to replace Federal administrative funds which have been lost or expended for purposes which the Social Security Board does not consider necessary for proper and efficient administration; (3) to use as a revolving fund in advance of the receipt of an administrative grant; and (4) to refund interest and penalties which have been erroneously collected.

The Minnesota provision specifies that the funds may be used to match Federal funds made available for the employment service. California es-

tablished its fund to pay refunds of workers' contributions on wages in excess of \$3,000 and to provide for emergency administrative costs. In Illinois, Indiana, Maine, and West Virginia the special fund is, in effect, a cash account for meeting emergencies. As the fund grows, any excess is transferred to the unemployment fund—in Maine, any amount in excess of \$1,000 at the close of the fiscal year, and in Indiana, any amount in excess of \$10,000 at the close of any quarter. In Illinois, only a part of the interest collected in the third quarter of each calendar year, as necessary to raise the total amount to \$10,000, is deposited in the special fund.

(Continued from page 1)

ministered by the Social Security Board. Of these, \$431 million is for Federal grants to States for old-age assistance, aid to the blind, and aid to dependent children, and \$32 million is for grants to States to meet the costs of administering State unemployment compensation laws. The remainder represents salaries of Board personnel and miscellaneous expenses. The act includes a provision that jurisdiction over the employment services transferred to the U. S. Employment Service shall be returned to the States within 3 months after the termination of hostilities in the war with Japan.

Chairman Reappointed

The reappointment of Arthur J. Altmeyer, of Wisconsin, as a member of the Social Security Board for the 6-year term expiring August 13, 1951, was confirmed by the Senate on July 18. Mr. Altmeyer has been a member of the Board since its establishment and Chairman since February 1937.

Great Britain Adopts Family Allowances

Payment of cash allowances to British families "for the benefit of the family as a whole" was assured with the enactment of the Family Allowances Act on June 15. Families will receive 5s. a week on behalf of each child in the family except the first or only child, without regard to family income. The allowances will be taxable as income. Servicemen, disabled veterans, and civilians with war disabilities will receive the new allow-

ances in addition to their present ones, but the new allowances will supplant, with respect to every second and subsequent child, the supplementary allowances paid under the existing systems of workmen's compensation, unemployment insurance, and contributory pensions. Payments are to be financed from general revenues, rather than contributions, and administered by the Minister of National Insurance. The total cost in the first full year of operation is estimated at about £57 million.

The new allowances are paid for children up to the maximum age for compulsory school attendance or until age 16 if the child attends school regularly or is an apprentice. In general, step-children, legally adopted children, or other children maintained by a family are included. The bill presented to Parliament specified that, when a man and wife are living together, the allowance should belong to the man but be payable to either parent; after lively debate, the provision was amended to state that the allowance can be drawn by either parent but belongs to the mother.

Family allowances were proposed by Sir William Beveridge as one means of attaining a national minimum income, which "cannot in practice be secured by a wage system" since wages "must be based on the product of a man's labour and not on the size of his family." The Government included family allowances in its White Paper on Social Insurance as an integral part of a comprehensive social security plan, of which this is the first part to be introduced. A National In-

urance (Industrial Injuries) Bill, implementing the Government's proposals for a system of workmen's compensation coordinated with the general insurance system, was sent to Parliament in June, but no action was taken before Parliament adjourned for the general election.

Children and the Future

Pointing out that the Nation's security rests on the opportunities it affords to its children, the National Commission on Children in Wartime has submitted to President Truman a comprehensive report and plan on Building the Future for Children and Youth. The Commission, which was appointed by the Federal Children's Bureau and includes leaders in fields of health, welfare, education, and labor, recommends that expenditures under the Social Security Act for maternal and child health and crippled children be increased immediately by at least \$75 million. Ultimately Federal cooperation in financing these health services and in providing child welfare services, which should be a part of the program of State and local public welfare departments, should assure full scope and availability of such services to children throughout the country. The Commission also believes that interests of children should be safeguarded by extending and improving aid to dependent children, general assistance, old-age and survivors insurance, disability insurance, and unemployment insurance. It urges Federal aid to education and the strengthening of child-labor legislation.