State Unemployment Insurance Legislation, 1951*

Amendments to the State employment security laws were considered by the 46 State legislatures that met in 1951 and by Congress for the District of Columbia. Of these States, only four failed to change their law in some respect. In the amendments that were enacted, a trend toward improving benefit provisions is evident, with the emphasis placed generally on increasing the amount of weekly benefits. The more significant amendments are described in the following article.

FORTY-SIX State legislatures met in 1951, and all of them considered proposals to amend their employment security laws. In addition, Congress had before it proposed changes in the District of Columbia law. California, where legislative activity concerning unemployment insurance was greatest, considered 218 bills, while Kansas, Oklahoma, and Texas each had only one bill before the legislature.

The legislatures of Arkansas, Oklahoma, Texas, and Wyoming adjourned without changing their laws. Six of the 42 States that did enact amendments made relatively minor changes in their laws, while Massachusetts, Missouri, and New York revised their laws materially. The more important amendments are described in this article and are included in the summary table showing the benefit provisions in the State unemployment insurance laws as of December 1, 1951. Some of the amendments are not fully effective, however, until some time in 1952.

Coverage

Little interest was shown in extending the coverage of the employment security laws. Minor inclusions and exclusions from the definition of employment were enacted in 10 States. Bills to extend coverage to smaller firms were introduced in several States but failed to pass. Amendments extending the coverage of agricultural labor were introduced in Arizona and California; neither bill was adopted. On the other hand, amendments that widen the exclusion of agricultural labor were enacted in both California and Missouri.

Only 19 States [1] have amended the definitions of "employment" and "wages" to take account of the new definitions in the 1950 amendments to the Social Security Act, and not all of these States amended the definitions to be completely consistent with the Federal definitions. Thus the basis of the Federal unemployment tax will, in some instances, be broader and, in others, narrower than that of the unemployment insurance tax under State laws.

Benefit Provisions

More than half the States amended their benefit provisions in one or more ways. Most of the amendments increased benefits, at least for some claimants. Changes in the benefit formula in a few States, however, mean reduced benefits for certain claimants or exclusion of claimants who would have been eligible under the former provisions.

Base period and benefit year.—Six States amended the definition of base period—the worker's period of covered employment that is used in determining his benefit rights. Missouri substituted a 4-quarter for an 8-quarter base period. Colorado, Massachusetts, and New York changed from a "uniform" calendar year base period to "individual" periods related to the date of individual claimants' unemployment. Hawaii and Ohio, which had individual base periods with a lag period of 3 to almost 6 months, along with Colorado reduced the lag to less than 3 months by providing as the base period the last four completed calendar quarters immediately preceding the first day of an individual's benefit year. New York eliminated all but 1 week's lag between the base period and the benefit year by defining the base period as the 52 consecutive weeks ending on the Sunday immediately preceding the filing of a valid original claim. Massachusetts' new base period is the most recent 4 quarters ending not less than 4 months before the beginning of the benefit year. All these States except Massachusetts and Missouri will get wage reports from employers only after a claim has been filed.

The New York definition of a "valid original claim" that starts a benefit year is more restrictive than that of most other States in that it requires that such a claim must be filed by a claimant who not only meets the qualifying requirements for benefits (the usual definition) but who also is not subject to any disqualification or suspension of benefits. If a claimant is disqualified for a specified number of weeks for misconduct or for a voluntary separation without good cause, he cannot file a valid claim until the disqualification runs out. At that time some of his early weeks of employment will have passed out of the base period. In some cases his benefit rights would be eliminated; in others, reduced.

Qualifying wages or employment.—All States require that an individual must have earned a specified amount of wages or must have worked for a certain period of time within his base period, or both, to qualify for benefits.

Fourteen States amended the minimum qualifying wages or employment requirement. In most instances the form of the requirement was retained, and the minimum amount of wages or employment required was

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[1] Alabama, California, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Maine, Massachusetts, Michigan, Missouri, New York, North Dakota, Pennsylvania, Rhode Island, South Dakota, Washington, and Wisconsin.

increased. In New Mexico, North Dakota, and Pennsylvania, for example, the qualifying wage equal to a multiple of the weekly benefit amount was increased when the minimum weekly benefit amount was raised. Alabama increased qualifying wages from 30 to 35 times the weekly benefit amount; with a change in the minimum weekly benefit, this means an increase from $120 to $210. In New Hampshire and North Carolina, with annual wage formulas, the minimum flat qualifying wage was increased along with the minimum weekly benefit. Illinois, Massachusetts, and Rhode Island increased their flat qualifying wage requirements—Illinois from $300 to $400, Massachusetts from $150 to $500, and Rhode Island from $100 to $300. Illinois and Rhode Island increased maximum potential benefits for the claimant with the minimum qualifying wages, rather than his weekly benefit.

South Dakota changed from a flat wage requirement of $125 to one and one-half times the high-quarter wages. New York, which had required that to be eligible a worker must have earned 30 times his weekly benefit amount, now provides that he must have had at least 20 weeks of employment at an average wage of at least $15. Ohio retained the same dollar amount of earnings ($240) but increased the accompanying weeks of employment from 14 to 20. Missouri changed from a requirement of 40 times the weekly benefit amount in 3 quarters of an 8-quarter base period to one of earnings in 2 quarters with no minimum amount specified, and, to prevent an individual from establishing a second benefit year based only on earnings in the lag period between the base period and the beginning of the first benefit year, added the requirement that a claimant must have earned in insured work an amount equal to five times his weekly benefit amount after the beginning of the preceding benefit year. California amended its law to provide that lag-period wages can be used as qualifying wages for a second benefit year only if within the first benefit year the claimant earned enough wages to qualify.

Waiting period.—North Carolina deleted the waiting-period provision, making the third State that now requires no waiting period of noncompensable unemployment before benefits are payable. Wisconsin reduced the waiting period from 2 weeks to 1 week, leaving only two States with an initial waiting period of 2 weeks of total unemployment. Massachusetts, Missouri, and Tennessee changed from 1 week of total unemployment or 2 weeks of partial unemployment to 1 week of total or partial unemployment. Only five States require two or more weeks of partial unemployment.

Maximum weekly benefit amount.—By and large, changes made in the benefit formula during the 1951 State legislative sessions took the form of increasing the maximum weekly benefit amount rather than extending the potential duration of benefits. This emphasis on weekly benefits was to be expected in view of the continuing increase in the cost of living and the prospect that in the next few years unemployment will probably be sporadic and of short duration.

The 1951 sessions saw the establishment of the first $30 basic maximum weekly benefit (six States) and the elimination of the last under-$20 benefit. With the increase of the maximum weekly amount in Florida from $15 to $20, it is now possible for some claimants in every State to qualify for a weekly benefit of $20. Twenty-two States [2] raised the maximum weekly benefit amount by increases ranging from $2.00 to $7.50. When all amendments become effective, 51 percent of the workers who were in covered employment in 1950 will be protected by the laws of the 13 States that provide for a basic maximum benefit of $27 or more. Under the 1950 laws, only Kansas, with 0.8 percent of the Nation's covered workers, allowed a weekly benefit of more than $26.

Colorado, which did not change the normal maximum weekly benefit, provided an increase of 25 percent in the computed weekly benefit for all claimants who have been employed in the State by covered employers for five consecutive years in which they have earned wages in excess of $1,000 per year and have received no benefits. For such claimants, the maximum is $28.50.

Utah repealed the provision increasing or decreasing the weekly benefits according to the "cost-of-living" index and increased its normal maximum weekly benefit from $20.00 to $27.50. While the weekly benefit will be the same or higher for many claimants who would have been limited by the former adjusted maximum ($25), the repeal of the cost-of-living adjustment will reduce the weekly benefit of most individuals with benefit amounts less than $25.

Since 1949, the maximum weekly benefit in Kansas has been 50 percent of the average weekly wage paid to employees in insured work during a 12-month period ending on June 30; the 1951 legislature provided that this amount cannot exceed $28.

Dependents' allowances.—No State added dependents' allowances. Of the 11 States with such allowances, Alaska, Michigan, North Dakota, and Ohio increased the maximum basic weekly benefit and thus the maximum augmented benefit. Since in Alaska the maximum dependents' allowances are 60 percent of basic benefits, the maximum allowances were also increased, from $15 to $18. The maximum weekly benefits for claimants who have the maximum dependents' allowances in the 11 States providing such allowances are:

Massachusetts	$25 + $2 per dependent child up to average weekly wage
Alaska	48
Nevada	37
Connecticut	36
Michigan	35
Maryland	33
Ohio	33
North Dakota	31
Wyoming	31
Arizona	26
District of Columbia	20

Minimum weekly benefits.—Nine of the 22 States that increased maximum weekly benefits increased the minimum weekly benefit also, al-

[2] Alabama, Alaska, Florida, Idaho, Illinois, Indiana, Iowa, Michigan, Missouri, Nebraska, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Tennessee, Utah, Washington, and Wisconsin.

Significant benefit provisions of State unemployment insurance laws, December 1, 1951

State	Qualifying wages or employment in base period	Weekly benefit amount [1]			Weekly payment for partial unemployment—earnings allowance [4]	Total benefits payable in benefit year				
		Computation (fraction of high-quarter [2] wages unless otherwise indicated)	For total unemployment			Computation (fraction of total base-period wage credits unless otherwise indicated)	Minimum		Maximum	
			Minimum [3]	Maximum [3]			Amount [3]	Weeks of total unemployment	Amount [3]	Weeks of total unemployment
Ala	35 times wba and $112.01 in 1 quarter.	1/26	$6.00	$22.00	$2	1/3	$70.00	11+	$440	20
Alaska	$150	1/20, plus 20% wba for each dependent up to 3.	8.00–10.00	30.00–48.00	$5	1/3	64.00	[5] 8	750–1,200	25
Ariz	30 times wba and wages in 2 quarters.	1/25, plus $2 for each dependent up to $6.	5.00–7.00	20.00–26.00	$5	Uniform	60.00	12	240–312	12
Ark	30 times wba	1/20–1/26	7.00	22.00	$3	1/3	70.00	10	352	16
Calif	30 times wba or 1½ times high-quarter wages, whichever is less, but not less than $300.	1/20–1/23	10.00	25.00	$3	1/2	150.00	[5] 15	650	26
Colo	30 times wba	1/25 [3]	7.00–9.00	[3] 22.75–28.50	$3	1/3 [3]	70.00	[3] 10–26	455–741	[3] 20–26
Conn	$240 and wages in 2 quarters.	1/26, plus $3 for each dependent up to 1/2 wba.	8.00–11.00	24.00–36.00	$3	1/4	70.00	[5] 8+	624–936	26
Del	30 times wba	1/25	7.00	25.00	$2	1/4	77.00	[5] 11	650	26
D. C	25 times wba up to $250.	1/23, plus $1 for each dependent up to $3.	6.00–7.00	[3] 20.00	2/5 of wba	1/2	75.00	[5] 12+	400	20
Fla	30 times wba and wages in 2 quarters.	1/18–1/26	5.00	20.00	$5	1/4	38.00	7+	320	16
Ga	35–42+ times wba; $100 in 1 quarter and wages in 2 quarters.	1/25	5.00	20.00	$5	Uniform	100.00	20	400	20
Hawaii	30 times wba	1/25	5.00	25.00	$2	Uniform	100.00	20	500	20
Idaho	25–38 times wba; $150 in 1 quarter and wages in 2 quarters.	1/19–1/25	10.00	25.00	1/2 of wba	Weighted schedule 40%–29%.	100.00	10	650	26
Ill	$300 (effective benefit year beginning 4/1/52, $400).	1/20	10.00	25.00 (effective benefit year be-4/1/52, $27.00).	$2	Weighted schedule 47%–33% (effective benefit year beginning 4/1/52, 46%–32%).	140.00 (effective benefit year beginning 4/1/52, $185.00).	[5] 14 (effective benefit year beginning 4/1/52, 18+).	650 (effective benefit year beginning 4/1/52, $702).	26
Ind	$250 and $150 in last 2 quarters.	1/25	5.00	27.00	$3 from other than regular employer.	1/4	62.00	[5] 12+	540	[6] 20
Iowa	20 times wba	1/20	5.00	26.00	$3	1/3	33.33	6+	520	20
Kans	$100 in 2 quarters or $200 in 1 quarter.	1/25 up to 50% of State average weekly wage, but not more than $28.	5.00	28.00	$2	1/3	34.00	6+	560	20
Ky	$300	Annual wage formula; weighted schedule 2.7%–1.0%.	8.00	24.00	1/5 of wages	Uniform	192.00	24	576	24
La	30 times wba	1/20	5.00	25.00	$3	1/3	50.00	10	500	20
Maine	$300	Annual wage formula; weighted schedule 2.3%–0.85%.	7.00	25.00	$3	Uniform	140.00	20	500	20
Md	30 times wba and $156 in 1 quarter.	1/26, plus $2 for each dependent up to $8.	6.00–8.00	25.00–33.00	$2	1/4	45.00	7+	650–858	26
Mass	$150 (effective benefit years beginning 1/1/52, $500).	1/20, plus $2 for each dependent, total not to exceed average weekly wage.	6.00–7.00 (effective benefit years beginning 1/1/52, $7.00–9.00).	25.00–(9)	0	3/10	45.00 (effective benefit years beginning 1/1/52, $150.00).	[5] 7+ (effective benefit years beginning 1/1/52, 21+).	575.00–(9)	23
Mich	14 weeks of employment at more than $8.	67%–53% of average weekly wage plus $1 or $2 per dependent, by schedule $1–8.	6.00–7.00	27.00–35.00	Wba, if wages are less than ½ basic wba; ½ wba, if wages are at least ½ basic wba. [4]	2/3 weeks of employment.	57.00	9+	540–700	20
Minn	$300	Annual wage formula; weighted schedule 3.3%–0.91%.	10.00	25.00	$3	Weighted schedule 47%–23%.	140.00	14	625	25
Miss	30 times wba	1/26	3.00	20.00	$2	Uniform	48.00	16	320	16
Mo	Wages in 2 quarters. [7]	1/25	[7] .50	25.00	$4	1/3	(7)	(7)	600	24
Mont	30 times wba	1/22	7.00	20.00	(8)	Uniform	126.00	18	360	18
Nebr	$300	1/20–1/23	8.00	24.00	Wba, if wages are less than ½ wba; ½ wba, if wages are at least ½ wba.	1/3	100.00	[5] 12+	480	20

See footnotes at end of table.

though few claimants will be affected by such changes under present wage and employment conditions. The increase was $5 in New Mexico and Utah; $2 in Alabama, Nebraska, North Dakota, Pennsylvania, and South Dakota; and $1 in New Hampshire and North Carolina. Missouri retained its minimum of 50 cents but provided that total benefits payable will be paid in amounts of $5 instead of $3. By increasing the qualifying wages required for receipt of benefits, Massachusetts automatically raised the minimum weekly benefit from $6 to $7. Basic minimum weekly benefit amounts now range from $3 in Mississippi to $15 in Oregon, with $10—the amount most frequently used in 12 States.

The fact that only 10 States increased the basic minimum weekly benefit is understandable, since during 1950 only 2 percent of the Nation's claimants were entitled to the minimum weekly rate provided under State laws while more than half the claimants were entitled to benefits at the maximum rate.

Weekly benefit formulas.—Most of the States use a formula for computing weekly benefits that bases the amount on wages in the quarter of the base period in which wages were highest, since this quarter most nearly reflects full-time work. While most of the States merely extended their present formula for determining the weekly benefit amount to arrive at the new maximum, Arizona and North Dakota decreased the fraction of high-quarter earnings used to determine the weekly benefit amount. Both these States provide for dependents' allowances, and the use of a smaller fraction of high-quarter wages makes such allowances more effective. Nebraska increased benefits by changing its high-quarter fraction from 1/25 to a weighted schedule of 1/20 to 1/23.

Two States with annual-wage formulas made adjustments in the amount of wages required for specified weekly amounts: Oregon, in liberalizing its duration formula, reduced the wage requirement for each weekly benefit; North Carolina, in increasing its uniform potential duration, increased the required wages for weekly benefits up to $13 but lowered the required wages for benefits of $13 and above.

***Significant benefit provisions of State unemployment insurance laws, December 1, 1951*—Continued**

State	Qualifying wages or employment in base period	Weekly benefit amount [1]			Weekly payment for partial unemployment—earnings allowance [4]	Total benefits payable in benefit year				
		Computation (fraction of high-quarter [2] wages unless otherwise indicated)	For total unemployment			Computation (fraction of total base-period wage credits unless otherwise indicated)	Minimum		Maximum	
			Minimum [3]	Maximum [3]			Amount [3]	Weeks of total unemployment	Amount [3]	Weeks of total unemployment
Nev	30 times wba	1/25, plus $3 for each dependent up to 6% of high-quarter wages.	$8.00–11.00	$25.00–37.00	$3	1/3	$80.00	10	$650–962	26
N. H	$300	Annual wage formula; weighted schedule 2.3%–1.27%.	7.00	28.00	$3	Uniform	182.00	26	728	26
N. J	25 times wba	1/22	10.00	26.00	$3	1/3	100.00	[5] 10	676	26
N. Mex	30 times wba and $156 in 1 quarter.	1/26	10.00	25.00	$3	2/5	120.00	12	600	24
N. Y	30 times wba and $100 in 1 quarter (effective benefit year beginning 12/31/51, 20 weeks of employment at average of $15).	1/23 (effective benefit years beginning 12/31/51, 67%–52% of average weekly wage).	10.00	26.00 (effective benefit years beginning 12/31/51, $30.00).	(9)	Uniform	260.00	26	676 (effective benefit years beginning 12/31/51, $780).	26
N. C	$250	Annual wage formula; weighted schedule 2.8%–1.0%.	7.00	30.00	$2	Uniform	182.00	26	780	26
N. Dak	30 times wba and wages in 2 quarters.	1/24, plus $1 or $2 per dependent, by schedule $2–6.	7.00–9.00	25.00–31.00	$3	Uniform	140.00	20	500–620	20
Ohio	14 (effective benefit years beginning 1/1/52, 20) calendar weeks of employment; $240 and $80 in 1 quarter.	1/17–1/24, plus $2.50 for each dependent up to $5.	10.00–12.50	25.00–30.00 (effective benefit years beginning 1/1/52, $28.00–33.00).	$2	2/3 (effective benefit years beginning 1/1/52, 1/2).	160.00 (effective benefit years beginning 1/1/52, $120.00).	16 (effective benefit years beginning 1/1/52, 12).[6]	650–780 (effective benefit years beginning 1/1/52, $728–858).	26
Okla	20 times wba	1/20	6.00	22.00	$2	1/3	40.00	6+	484	22
Oreg	$400	Annual wage formula; weighted schedule 3.75%–1.37%.	15.00	25.00	$2	1/3	133.00	8+	650	26
Pa	30 times wba	1/25	10.00	30.00	$5	Weighted schedule 43%–35%.	130.00	13	780	26
R. I	$300	1/20	10.00	25.00	$5	Weighted schedule 35%–27%.	104.00	10+	650	26
S. C	30 times wba and $100 in 1 quarter.	1/20	5.00	20.00	$1	Uniform	90.00	18	360	18
S. Dak	$225 and $150 in 1 quarter and 1½ times high-quarter wages.	1/20–1/23	8.00	22.00	$3	Weighted schedule 36%–22%.	80.00	[5] 10	440	20

See footnotes at end of table.

New York changed its method of determining benefit amounts from a fraction of high-quarter earnings to a percentage of the average weekly wage. The average weekly wage is to be computed by dividing the claimant's base-period wages with his most recent employer by the total number of weeks of employment with that employer if he had at least 20 such weeks; otherwise, weekly benefits are based on weeks of employment and earnings with all base-period employers. Weeks of employment in which the claimant earned less than $15 are excluded from the computations unless fewer than 20 weeks of employment remain after such exclusion.

Benefits for partial unemployment.—Nine States increased the payments for weeks of partial unemployment under formulas where the amount paid for a week of partial unemployment is the weekly benefit amount less any wages earned in the week in excess of a specified amount. These nine States include two (Hawaii and Rhode Island) that made no other change in weekly benefits. Hawaii enacted an earnings allowance of $2. Arizona, Florida, Pennsylvania, and Tennessee increased the earnings allowance from $3 to $5, and Washington raised it from $5 to $8. Rhode Island increased the amount of earnings disregarded from $3 earned on odd jobs or subsidiary work to $5 earned in any work. Idaho changed its allowance from $5 to half the individual's weekly benefit—that is, from $5 to $12.50; Missouri changed from 1/6 of wages earned in the week to $4.

Duration of Benefits

Only eight of the 22 States that increased the maximum weekly benefit amount in 1951 also increased the maximum duration of benefits, probably because of the present expectation that, for most claimants, benefits will be of short duration. Five of these eight States increased maximum duration to 26 weeks, an increase of 6 weeks for Idaho, North Carolina, and Utah,[3] 3 weeks for New Hampshire, and 2 weeks for Pennsylvania. Missouri and New Mexico in-

[3] The normal maximum duration of 25 weeks had been reduced by the increase of weekly (but not annual) benefits under the cost-of-living adjustment.

***Significant benefit provisions of State unemployment insurance laws, December 1, 1951*—Continued**

State	Qualifying wages or employment in base period	Weekly benefit amount [1]			Weekly payment for partial unemployment—earnings allowance [4]	Total benefits payable in benefit year				
		Computation (fraction of high-quarter [2] wages unless otherwise indicated)	For total unemployment			Computation (fraction of total base-period wage credits unless otherwise indicated)	Minimum		Maximum	
			Minimum [3]	Maximum [3]			Amount [3]	Weeks of total unemployment	Amount [3]	Weeks of total unemployment
Tenn	30 (25 if wba is $5) times wba and $50 in 1 quarter.	1/21–1/25	$5.00	$22.00	$5	Uniform	$110.00	22	$484	22
Tex	$200 and wages in 2 quarters.	1/26	7.00	20.00	$3	1/5	40.00	[5] 5+	480	24
Utah	19 weeks of employment and $368 base-period wages.	1/20	10.00	27.50	$6	Weighted schedule in percentage of average State wage (43%–31%).	160.00	[5] 16	715	26
Vt	30 times wba and $50 in 1 quarter.	1/18–1/26	6.00	25.00	$3	Uniform	120.00	20	500	20
Va	25 (20 if wba is $5) times wba.	1/25	5.00	20.00	$2	1/4	30.00	6	320	16
Wash	$600	Annual wage formula; weighted schedule 1.7%–1.2%.	10.00	30.00	$8	Weighted schedule 25%–31%.	150.00	15	780	26
W. Va	$300	Annual wage formula; weighted schedule 2.7%–1.0%.	8.00	25.00	$6	Uniform	184.00	23	575	23
Wis	14 weeks of employment at $12 or more.	68%–51% of average weekly wage.	9.00	30.00	Wba, if wages less than 1/2 wba; 1/2 wba if wages are at least 1/2 wba.	7/10 weeks of employment.	90.00	10	795	26+
Wyo	25 times wba and $70 in 1 quarter.	1/20, plus $3 for each dependent up to 8% of high-quarter wages.	7.00–10.00	25.00–31.00	$3	1/4	42.00	6	500–620	20

[1] Weekly benefit amount abbreviated in columns as wba.

[2] The fraction of high-quarter wages applies between the minimum and maximum amounts. When State uses a weighted table, approximate fractions are figured at midpoint of brackets between minimum and maximum. When dependents' allowances are provided, the fraction applies to the basic benefit amount. With annual wage formula, fraction is minimum and maximum percentage used in any wage bracket. With average weekly wage formula percentage is figured at midpoint of the highest and lowest closed wage brackets.

[3] When two amounts are given, higher includes dependents' allowances except in Colorado, where higher amount includes 25 percent additional for claimants employed in Colorado by covered employers for 5 consecutive years with wages in excess of $1,000 per year and no benefits received; weeks of duration for such claimants increased to 26 weeks. Higher figure for minimum weekly benefit amount includes maximum allowance for one dependent at minimum weekly amount. In the District of Columbia same maximum with or without dependents. Maximum augmented payment to individuals with dependents not shown for Massachusetts since any figure presented would be based on an assumed maximum number of dependents (highest paid $51).

[4] Payment for weeks of partial unemployment equals wba less earnings in the week in excess of the specified allowance. In all States with dependents' allowances except Michigan, a claimant receives full allowance for weeks of partial unemployment; in Michigan, claimant eligible for ½ wba gets ½ dependents' allowances.

[5] If qualifying wages are concentrated largely or wholly in the high quarter, weekly benefit for claimants with minimum qualifying wages may be higher than the minimum shown and consequently weeks of benefits are less than minimum weeks of benefits shown. In Alaska, Delaware, and New Jersey, statutory minimum; in Illinois and Utah, statutory minimum of 10 and 15 weeks, respectively, not applicable at minimum weekly benefit amount.

[6] Maximum potential benefits limited to $400 for claimants with benefit years beginning prior to April 1, 1951, hence maximum weeks of benefits are reduced for claimants with redetermined weekly benefit amounts of $21 to $27.

[7] If the benefit is less than $5, the benefits are paid at the the rate of $5 a week; no qualifying wages and no miminum specified.

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

[9] Waiting period is 4 "effective days" accumulated in 1-4 weeks. Partial benefits are ¼ of weekly benefit amount for 1 to 3 effective days. "Effective day" is defined as the fourth and every subsequent day of total unemployment in a week for which not more than $30 is paid.

creased maximum duration from 20 to 24 weeks, and Tennessee, from 20 to 22 weeks. Three of these eight States—New Hampshire, North Carolina, and Tennessee—have annual wage formulas with uniform duration so that claimants at all benefit levels may gain from the increased duration; in New Hampshire and Tennessee and in the higher benefit brackets in North Carolina the increased duration requires no increase in base-period wages. New Mexico continued its duration fraction of 2/5 of base-period wages, and Pennsylvania liberalized its duration formula to allow 43-34 percent of base-period wages.

Idaho, Missouri, and Utah liberalized the duration formula as well as the maximum duration. Idaho increased potential duration for most claimants by decreasing the amount of base-period wages required for specified duration between the minimum and the new maximum. Utah liberalized the schedule of maximum potential benefits for specified percentages of the State benefit base (the average annual wage in covered employment). Missouri changed its duration formula from ¼ of wages in an 8-quarter base period up to 20 weeks to 1/3 of wages in a 4-quarter base period up to 24 weeks.

Colorado increased the potential duration of benefits to a uniform 26 weeks for all claimants eligible for increased weekly benefits because they had worked in covered employment in Colorado for 5 years, had earned $1,000 in each year, and had not drawn any benefits.

Three States that did not change the maximum duration changed potential duration for all individuals whose duration is less than the statutory maximum—Ohio by decreasing the fraction of base-period wages from 2/3 to 1/2, Oregon by increasing its duration fraction from 1/4 to 1/3, and Wisconsin by increasing the credit-week fraction from 2/3 to 7/10.

After the 1951 amendments are in effect, 18 States with 60.2 percent of the covered working force will be paying benefits for a maximum of 26 weeks. Only seven States will have a maximum duration of less than 20 weeks; these States have only 5.5 percent of the covered workers.

Maximum potential benefits.—As a result of the changes in weekly benefit amount and weeks of benefits, 22 States increased their maximum potential basic benefits in a benefit year by $40–280. Maximum potential basic benefits in a benefit year now vary from $240 in Arizona to $795 in Wisconsin. In the 11 States with dependents' allowances, maximum potential benefits range from $312 in Arizona to $1,200 in Alaska and Massachusetts. When the 1951 amendments are fully effective, maximum potential benefits will fall in the following groups:

Amount	Number of States in specified interval	
	Basic benefits	Augmented benefits
$700 and over	10	15
600–699	12	11
500–599	13	9
400–499	9	9
300–399	6	7
Under $300	1	0

Oregon's changes in its duration formula, while making no change in the amount of maximum potential benefits, increased maximum potential benefits for many claimants.

Eligibility for Benefits

Few States changed the eligibility requirements in the 1951 sessions. Indiana amended the available-for-work provision by adding that the claimant must be "making an effort to secure work." Washington liberalized its "seeking-work" requirement by providing that the individual must be seeking work "pursuant to customary trade practices and through other methods when so directed by the commissioner." Arizona enacted an eligibility requirement that is unique in the American system of unemployment insurance; it requires residence in Arizona or in another State or foreign country that has entered into a reciprocal arrangement with the State at the time the claimant registers for work and files a claim for benefits.

Disqualification From Benefits

Although bills providing more restrictive disqualifications were introduced in many of the State legislatures, comparatively few were enacted. In several States, bills that substituted punitive measures for the present postponement of benefit rights for the periods of disqualification did not get out of committee. Only in Ohio were the disqualification provisions completely overhauled to make them more restrictive; the disqualification periods (4 weeks for voluntary quitting without just cause and 3 weeks for discharge for misconduct connected with the work, with reduction of benefit rights by 3 weeks) were changed to the duration of the unemployment and until the individual has earned his weekly benefit amount in insured work. The Ohio law provides further that, if an individual becomes unemployed because he (1) quit his work without just cause or was discharged for just cause connected with his work, or (2) advocates or is a member of a party that advocates the overthrow of the Government by force, or (3) was committed to any penal institution, or (4) was discharged for admitted or proved dishonesty in connection with his work, any wages paid to him by his employer at the time the disqualifying act occurred are to be canceled for the purpose of determining duration of benefits. If, however, an individual voluntarily left one employer to accept a bona fide offer of a job with another and is paid wages equal to 10 times his weekly benefit amount by the second employer, this wage cancellation does not apply.

Five other States increased the disqualification imposed for one or more of the three major causes. Alabama modified its escape clause for voluntary leaving without good cause connected with the work by extending from 8 to 10 weeks the period in which a worker must be employed in a new job to be exempt from disqualification. Idaho extended its disqualification for the three major causes to the duration of the unemployment and until the claimant has obtained bona fide work for 30 days, deleting an alternative limited disqualification of 6 weeks if the claimant was diligently seeking suitable employment. Pennsylvania added a requirement of remuneration for services equal to eight times the weekly benefit to its

disqualification for the duration of the unemployment for voluntarily leaving work and discharge or suspension from work for misconduct. South Dakota changed its disqualification for suspension for misconduct from the duration of the suspension to that for discharge for misconduct (1–10 weeks). Tennessee limited good cause for voluntary leaving to good cause connected with the work; however, it provided that any penalty imposed for voluntary leaving or misconduct (including gross misconduct) shall be credited with all weeks between the disqualifying act and the claim.

Massachusetts changed its disqualification for voluntary leaving and misconduct from the duration of the unemployment to 4–10 weeks after the effective date of a claim, with the proviso that the disqualification period shall be reduced by the number of weeks of new work subsequent to leaving. The effect of this change will depend primarily upon the opportunities for new work.

In some respects the major disqualifying provisions were mitigated in three States. Missouri added an escape clause to its disqualification for voluntary leaving without good cause attributable to the employer; a claimant is not disqualified if he left work to accept a more remunerative job and earned some wages therein. Missouri also reduced the disqualification for discharge for misconduct from the duration of unemployment and until a claimant has earned ten times his weekly benefit amount to postponement of benefits for 1–8 weeks; it also limited the period in which a claimant may be disqualified to 1 year after the disqualifying act.

Obviously influenced by present manpower problems, Wisconsin provided that if the Industrial Commission finds that the application of the disqualifications for voluntary leaving or for refusal of suitable work may materially hamper the official wartime manpower policies of the United States in any clearly definable class of cases, the commission may, after public hearing, modify or suspend the provisions. Washington changed its disqualification for the three major causes from 5 weeks in each of which an individual filed a claim and was otherwise eligible to the week of the disqualifying act and the 5 calendar weeks immediately following.

Nevada added a disqualification for a claimant who is intoxicated at the time he files a claim (for that week and 2 weeks immediately following) and a provision that a claimant shall be deemed to have failed to apply for suitable work if he cannot be offered a referral because of intoxication or because his dress or grooming allows little possibility of his being hired.

Ohio and Nevada added a special disqualification applicable to pregnant women; Oregon, South Dakota, and Utah modified existing provisions; and Alabama eliminated the presumption that a pregnant woman is unable to work and unavailable for work three months before and after childbirth. Arizona, Hawaii, Illinois, Massachusetts, and Nevada added administrative disqualifications for misrepresentation to obtain or increase benefits, and Minnesota and Washington amended such provisions. Thirteen States increased the penalty for fraudulently claiming benefits. Three States added disqualifying income provisions for such income as vacation pay, wages in lieu of notice, and pensions paid for by employers.

Rights of Entrants into Armed Forces

With the enactment of the Selective Service Act by Congress before World War II, all but two States amended their employment security laws to provide that individuals who entered the armed forces would, upon discharge from such service, have the same benefit rights as they would have had had they become unemployed on the day they entered the armed forces. Five States (California, Hawaii, Pennsylvania, Rhode Island, and Vermont) extended these provisions to apply to individuals who entered the armed services after June 1950; eight States (Alabama, Florida, Georgia, Kansas, Michigan, Missouri, Nebraska, and New Hampshire) reenacted such provisions. The old provisions are still effective in six other States (Maine, New Jersey, Oregon, South Carolina, Tennessee, and Wyoming). Accordingly, benefit rights are preserved for such workers in 19 States.

Since some of the individuals who enter the armed forces are employers whose contribution rates, based on their experience with unemployment, are lower than the standard rate of 2.7 percent, 14 States[4] amended their laws to provide that the experience-rating accounts of such individuals would not be terminated because of lack of payroll during the years in which they were in the armed forces. Four other States (the District of Columbia, Maryland, Minnesota, and Wisconsin) had enacted such an amendment earlier. Thus, in 18 States, such employers will not have to be subject to the standard rate as "new" employers when they reopen their business after their discharge from service.

Financing

Nineteen States amended the financing provisions of their employment security laws significantly. While the amendments make adjustments in various portions of the experience-rating formula, the purpose of all of them was to reduce contribution rates for some or most employers. Noncharging provisions were added by 10 States, including three States that made no other changes that would affect employers' rates, and a new system was adopted in two States.

New York's new experience-rating system.—New York made a fundamental change in its experience-rating system. Before the 1951 amendments, reduced rates in New York took the form of a distribution of funds to employers by means of credit certificates at the end of a year, if any surplus over the reserve required by law existed. The certificate could be applied against an employer's contributions for the next year, figured at 2.7 percent of his payroll. The amount of the certificate depended upon the employer's risk with unemployment as measured by three factors: a benefit-experience index in terms of benefit-wage ratios; a quarterly-decrease quotient, measuring quarterly decreases in payrolls over the past 3 years; and

[4] Alabama, Delaware, Florida, Georgia, Idaho, Illinois, Kansas, New Hampshire, New Mexico, Ohio, Pennsylvania, Rhode Island, South Dakota, and Tennessee.

years of liability for contributions. The benefit-experience index represented 12 of a possible 23 points.

The new law abolishes the credit-certificate device and establishes specific reduced rates for specified experience with the unemployment risk; it retains the quarterly-decrease factor and years-of-liability factor but substitutes a reserve-ratio factor for the benefit-experience index and adds an annual-decrease quotient, measuring the annual decrease in payrolls over the past 3 years. Since the reserve-ratio factor represents 16 of a possible 22 points, it is the principal determinant of employers' contribution rates.

The law provides eight different rate schedules, the effective schedule for a year to be determined by the ratio of the total fund to total payrolls in the State. When the fund is less than 4 percent of payrolls, for example, all employers with aggregate experience factors of less than 17 pay the standard 2.7 percent, and the lowest reduced rate is 1.7 percent. At the other extreme, when the size-of-fund index is 12.5 or more, only employers with experience factors of less than 2 pay 2.7 percent, and those with experience factors of 20 or better have a zero rate.

To convert to the new system, about $600 million of the State unemployment insurance fund is assigned to individual employer accounts on the basis of a formula intended to approximate the employers' tax payments and benefit-charge experience in the past. The remainder of the unemployment insurance fund, some $300 million, is assigned to a general account to which will be credited interest on the trust fund, penalties and interest paid by employers, and lapsed accounts of employers who have terminated coverage, and to which will be charged all negative balances of employers and all benefits that are not chargeable to individual employer accounts. If this account falls below 1.5 percent of State payrolls, all employers will be assessed an emergency contribution of 0.5 or 1.0 percent, depending on the size of the deficit.

Massachusetts amendments.—Massachusetts, which had a more conventional system of experience rating than New York, also changed its measure of experience—from a benefit-wage ratio to a reserve ratio—in amendments adopted in November 1951. As in New York, employers' reserve balances had to be approximated and a solvency account, comparable to New York's general account, established as of September 30, 1951. Each employer's reserve consists of his contributions from October 1, 1948, through October 31, 1951, minus the benefits paid that were based on "benefit wages" from the employer during the same period. The solvency account consists of the fund balance as of September 30, 1948, minus benefits paid but not chargeable to any employer during the subsequent 3 years.

The old law had two schedules effective in accordance with the adequacy of the fund in terms of its relationship to the highest amount of benefits paid in any of the last 10 years. The new law has two schedules effective in accordance with the adequacy of the fund as a percentage of State taxable wages. When the total fund is less than 5.5 percent of taxable wages, all employers pay 2.7 percent. The most favorable schedule effective when, as of a computation date after 1951, the fund is 7 percent of taxable wages includes 11 reduced rates (0.5 to 2.5 percent). A reserve of 10.5 percent is required for the minimum rate, and one of 5.5 percent for the 2.5-percent rate. In addition to the individual employers' rates, a flat solvency contribution of 0.1 percent to 1.0 percent will be levied on all employers if the solvency fund falls to stated levels of less than 1.0 percent of taxable wages. The solvency contribution will not operate, however, to bring any employer's contribution to more than 2.7 percent.

Liberalization of experience-rating schedules.—Ten States liberalized their experience-rating schedules without changing the basic system. Arizona, with three schedules, liberalized the most favorable schedule by adding three new rates between the minimum (0.5 percent) and the maximum reduced rate (2 percent) and lowering the reserve-ratio requirements for rates of 1.0, 1.5, and 2.0. Florida, with three schedules, added a new contribution rate of zero in the most favorable schedule and 0.1 percent in the next most favorable schedule for employers with a zero benefit ratio. Idaho, which had a reserve-ratio system with four reduced rates (1.1–2.3 percent), changed to an array (nine reduced rates); the employers with the best reserve ratios and 30 percent of payrolls pay 0.9 percent; the next 30 percent pay 1.1 percent; and each succeeding 5 percent pay 0.2 percent more. Iowa, which had two rate schedules, reduced the reserve ratio required for each rate in its most favorable schedule and added a third schedule reducing all rates by 50 percent when the State fund exceeds $110 million. It also eliminated the penalty rate of 3.6 percent.

Missouri continued three schedules. It changed its most liberal schedule (effective when the fund is 7½ percent or more of taxable payrolls) from five reduced rates (0–2.0 percent) to 12 reduced rates within the same range, lowering the reserve requirement for all but zero rates. A second schedule, effective when the fund is less than 7½ percent of payrolls, has 17 reduced rates (0-2.6 percent). If the fund falls below the greater of twice the contributions collected or twice the benefits paid in any year, all employers' rates are increased by 0.5 percent. A penalty rate of 3.6 percent is applicable under the first and second schedules, and there are several penalty rates, up to 4.1 percent, in the third schedule. New Mexico which has three schedules, reduced the reserve requirements for the rates in the most favorable formula and added a new minimum of 0.1 percent. North Carolina reduced its rates from eight (0.1-2.0 percent) to six (0.1-1.8 percent) and gave a lower rate for the six lowest reserve-ratio brackets in the old schedule. Oregon reduced by 1 percent the requirement for each of its eight reduced rates (0.3–2.4 percent). Pennsylvania, which had 14 schedules applicable under specified State fund ratio percentages, changed to four schedules applicable when the fund is at specified dollar levels. The most favorable schedule had six rates (0.5–2.5 percent); the new most favorable schedule has 11 reduced rates (0.3-2.3 percent) with lower reserve requirements for all comparable rates. Wisconsin provided specific downward adjustments in rates in bad years, the

adjustments to be made if the balancing account equals or exceeds $25 million and gross wages paid by employers during the year ending on June 30 decline by specified percentages below the wages paid in the preceding year.

Miscellaneous changes. — New Hampshire simplified its formula that had included one schedule in the law, modified each year by the State agency's adjustment of the schedule, by regulation, to yield the amount needed for benefits. The latest regulation provided for eight reduced rates (0.5–2.5 percent). The amended law includes two schedules; seven reduced rates (1.0–2.5 percent) applicable when the fund is between $12 million and $18 million, and eight reduced rates (0.5–2.5 percent) when the fund is $18 million or more. The latter schedule is the same as the adjusted old one.

Utah lowered the requirement for determining a surplus from the lesser of $25 million or 10.8 percent of subject wages to 6 percent of subject wages and provided a schedule of the amounts to be distributed to employers (0.7–1.7 percent) at fund levels of 6.0 to 10.8 percent.

Alabama, Massachusetts, Missouri, Ohio, and Tennessee made provision for the partial transfer of experience; Indiana and New York expanded such a provision. Because the defense program may result in expansion of payrolls far beyond normal for some employers, Georgia provided that employers shall pay at a rate of 2.7 percent in 1951 and 1952 on that part of payroll in excess of 300 percent of their 1948 payroll or in excess of $300,000, whichever is greater.

Noncharging provisions. — Ten States amended the provisions relieving employers from charges for benefits under specified conditions. Missouri and Vermont provided that benefits would not be charged to an employer if paid after disqualification for the three major causes or if he paid a claimant wages of less than $120 (Missouri) or less than $175 (Vermont). Arizona, New Hampshire, Ohio, and Pennsylvania relieved employers of charges of benefits paid after disqualification for voluntary leaving without good cause attributable to the employer and after disqualification for discharge for misconduct; Wisconsin, charges of benefits paid to an individual who voluntarily left for compelling personal reasons or to accept another job at which he worked at least 7 weeks. In addition, New Hampshire omitted charges for benefits paid under its "G.I. freezing provision." Colorado will not charge its new increased and extended benefits. Tennessee limited its noncharging provision to the employer involved in the disqualifying separation. Maine extended its noncharging of benefits after disqualification for refusal of suitable work to any previous employer rather than merely the last employer.

Experience-rating studies. — The legislatures of California and Minnesota specifically provided for studies of the actuarial problems of the State unemployment fund. The Michigan Legislature directed the employment security advisory council to make a study of the advisability of establishing an experience-rating system based on a reserve ratio instead of its present benefit ratio and to report its recommendations to the labor committee in the legislature before January 1, 1952.

Temporary Disability Insurance

Seventeen State legislatures considered one or more bills to provide a system of temporary disability insurance, but none was enacted. In most of these States at least one of the bills introduced would have established a temporary disability insurance program coordinated with unemployment insurance. Michigan, Pennsylvania, and West Virginia voted for studies of the desirability and feasibility of such a program.

Amendments were enacted to each of the three existing systems coordinated with unemployment insurance —in California, New Jersey, and Rhode Island.

California provided a maximum of $30 a week for temporary disability insurance, although the maximum for unemployment insurance remains at $25. It liberalized the provision limiting benefits for weeks for which a claimant receives wages by permitting a combination of wages and benefits up to 70 percent of the wages earned immediately before the disability. Another amendment permits individuals to elect not to be covered on religious grounds.

New Jersey amended its law to extend the time for giving notice of disability from 10 days after commencement of the disability to 30 days; it also provided for assessing against employers the costs of maintaining experience-rating accounts for temporary disability insurance.

Rhode Island changed the name of its act from the Cash Sickness Compensation Act to the Temporary Disability Insurance Act. It limited payment of benefits during pregnancy to not more than 12 consecutive weeks, 6 weeks before the expected date of birth and not more than 6 weeks following childbirth. The amendment to the Employment Security Act, requiring $300 (instead of $100) in base-year earnings to qualify for benefits, applies to disability benefits also.

*Recent Publications**

Social Security Administration

CHILDREN'S BUREAU. *Infant Care.* (Children's Bureau Publication No. 8–1951.) Washington: U. S. Govt. Print. Off., 1951. 145 pp. 20 cents. This ninth edition of one of the Government's best sellers is addressed to parents and especially to parents with their first child. Like the earlier editions (the original was published in 1914), the information that it presents is based on the experience of specialists and parents.

DAY, GLADYS DENISON. *Home Finding: The Placement of Children in Families.* Washington: Children's Bureau, 1951. 65 pp. Processed.

Discusses the problems related to finding foster homes for children. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

SHUDDE, LOUIS O. *Estimated Amount of Life Insurance in Force as Survivor Benefits Under Social Security*

(*Continued on page 32*)

* Prepared in the Library, Federal Security Agency.