# State Unemployment Insurance Legislation, 1959*

DURING THE 1959 legislative sessions, 40 States amended the provisions governing their unemployment insurance programs. The emphasis generally was on legislation increasing the duration of benefits, with more States taking this type of action to liberalize their programs than in any other recent year. An important development in this area was the adoption by six States of provisions for extending duration on a temporary basis whenever specified emergency conditions are found to exist.

Only legislation affecting coverage, benefits, eligibility, and disqualifications is considered in the following pages. Financing provisions were enacted, however, in several States.

## COVERAGE

Four States changed their coverage provisions significantly—three by extending coverage to smaller firms and one by broadening the definition of employment. Coverage is now provided in New York if a firm has a $300 payroll in any quarter, in Oregon if a firm has a minimum payroll of $225 in any quarter, and in Vermont if a firm has three or more workers in 20 weeks. Hawaii abolished its separate system for agriculture and brought agricultural workers under its employment security law; it thus became the first State to cover such workers. Agricultural employers with 20 or more employees in each of 20 weeks in a calendar year are subject to the law. Hawaii also provided for coverage of services performed for the State and its political subdivisions and instrumentalities. Three other States extended coverage to formerly excluded groups—Colorado, to employees of nonprofit organizations; Idaho, to State employees; and Indiana, to employees of a municipally owned public utility. Changes in six other States affected relatively few workers.

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## BENEFITS

### Maximum Weekly Benefit Amount

Twenty-two States increased the maximum basic weekly benefit by $2–$15. Three of them (Colorado, Vermont, and Wisconsin) adopted flexible maximums, under which the benefit is computed as a specified percentage of the State's average weekly wage. Kansas removed the limitation on its flexible maximum. Six States now have flexible maximums, but only 4.7 percent of the workers in covered employment are in these States.

Effective January 1, 1960, the flexible maximum formula raised the maximum benefit to $43 in Colorado and to $47 in Wisconsin—the two States that make semiannual adjustments—and to $41 in Kansas, where adjustments are made annually. The other three States make annual adjustments that are effective July 1.

Maximum weekly benefits now range from $26 in South Carolina to $55 in California. Six States, with 26 percent of the employment covered by State unemployment insurance laws, pay maximums of $45 or more (table 1). Alaska (for resident claimants), Connecticut, Hawaii, and New York all pay $45; Wisconsin pays $47; and California pays $55. In July 1960, when Pennsylvania's increase to $40 takes effect, a third of the States, with almost 50 percent of all covered employment, will have maximums of $40 or more. Six States, with 12.4 percent of the covered employment, had such maximums in

TABLE 1.—*Number of States with specified maximum weekly benefit amount and percent of covered workers*

| Maximum basic weekly benefit amount | Number of States | Percent of covered employment, 1958 |
|---|---|---|
| $25–29 | 4 | 8.7 |
| 30–34 | 19 | 29.2 |
| 35–39 | 12 | 21.0 |
| 40–44 | 10 | 15.1 |
| 45–49 | 5 | 16.8 |
| 50–55 | 1 | 9.2 |

1957. Only four States now have maximums of less than $30, compared with 10 States in 1957.

Fourteen States, with 23.2 percent of all covered employment, pay a maximum basic benefit equal to 50 percent or more of the State's average weekly covered wage—a significant increase from 1957, when seven States, with 4.4 percent of the covered employment, had such maximums. In 10 States, with 25.9 percent of the covered employment, the maximum is less than 40 percent of the average weekly wage, and in the other 27 States it is 40–49 percent.

### Dependents' Allowances

The Iowa legislature added a provision for dependents' allowances, and North Dakota repealed its provision. Of the other 11 States that pay a higher weekly benefit to claimants with dependents, five increased the maximum—Illinois by extending the benefit schedule, Connecticut and Wyoming by raising the maximum basic benefit, and Massachusetts and Ohio by increasing the amount of the allowance for each dependent.

### Minimum Weekly Benefit Amount

Six of the 22 States that raised the maximum basic weekly benefit also raised the minimum by $1–$5. State minimums now range from $3 to $17; the minimum is $10 in 29 States and more than $10 in nine.

### Method of Computation

The only change made by nine States in the formula for determining the weekly benefit amount was to extend it to a new maximum. One State acted to require higher earnings at a few benefit levels for receipt of the same amount as formerly, and in another the fraction of high-quarter wages compensated at most benefit levels above the old maximum was reduced.

Two States changed from a formula using a fraction of high-quarter wages to one basing benefits on average weekly wages during the high quarter. Colorado's new formula compensates an individual for 60 percent of his average weekly wage in the quarter of highest earnings; the weekly benefit amount is thereby increased $2–$5 for the same amount of such earnings. The new Florida formula bases benefits on 50 percent of the worker's average weekly wage in that quarter of his base period in which his wages were highest; through June 30, 1960, that average is computed as 1/13 of high-quarter wages; after June 30 it will be determined by dividing high-quarter wages by the total number of weeks worked during the quarter. Florida will then be the only State with an average-weekly-wage formula that bases benefits on the individual's actual average weekly wage during the high quarter.

An Iowa provision for rounding benefit amounts to the nearest dollar results in higher benefits for some claimants and lower benefits for others. In New Mexico, some claimants will receive higher benefits because of a change in the rounding provision; the amounts are now rounded to the higher $2 rather than to the higher $1. Benefits are raised slightly for most claimants in Illinois; formerly equal to 1/20 of high-quarter wages and payable in multiples of 50 cents, they are now equal to 1/20–1/21, payable in dollar multiples.

Five States that base benefits on a fraction of high-quarter wages made changes in the fraction. Three of them adopted 1/26 as a fraction; Oklahoma changed from 1/20, North Dakota from 1/24, and Arkansas from a weighted schedule of 1/21–1/27. As a result, higher earnings will now be required at all benefit levels in Oklahoma and North Dakota and for benefits of less than $20 in Arkansas. Two States will require less earnings—Nebraska at all benefit levels and Massachusetts at levels above $23.

Two States that compute benefits as a percentage of annual wages revised benefit schedules. In New Hampshire, all claimants eligible for weekly benefits of more than $16 receive, for the same base-period earnings as under the old schedule, $1 more. In Washington, some claimants—to receive the same benefit amounts—are required to have more earnings than before and others may have less, but all claimants are eligible for higher potential benefits under the amended duration fraction.

### Partial Earnings Allowance

The amount of earnings that can be disregarded in computing the weekly benefit for partial unemployment was raised in 10 States. Four States with a uniform allowance to all workers increased these amounts \$3–\$9, and five States changed from a uniform allowance to amounts geared to the benefit an individual would receive for full unemployment. Vermont changed from a uniform allowance of \$3 to one of \$10, plus \$2 for each dependent (with a maximum of \$20).

### Duration

Sixteen States extended the duration of benefits; the increases ranged from 2 weeks in Iowa to 13 weeks in Oklahoma. Almost a fourth of all workers covered by State unemployment insurance laws are in these 16 States and in Ohio. Six other States provided for automatic extension of duration whenever certain conditions in the State economy develop.

No State adopted a uniform-duration provision. Hawaii increased its uniform-duration period from 20 weeks to 26; its law thus meets the program objective of 26 weeks of benefits for all eligible workers at all benefit levels.

Indiana and Iowa increased the amount of quarterly wages considered in determining duration. In Indiana, however, claimants eligible for weekly benefits less than the maximum and whose high-quarter wages are just enough to qualify them for the maximum benefit amount cannot qualify for the new maximum duration (26 weeks) since total benefits continue to be limited to one-fourth of base-period wages. In Oklahoma, also, a claimant receiving a weekly benefit less than the maximum amount cannot qualify for the new maximum duration (39 weeks), since total benefits remain limited to one-third of base-period wages; the potential duration for such a claimant cannot be more than 34.6 weeks.

Nine States revised the method of computing duration. Florida adopted a method using half the number of weeks of employment in the base period, with a 26-week maximum. Ohio retained its 26-week maximum but increased from 50 percent to 100 percent the proportion of base-period wages compensated. New Mexico extended its maximum to 30 weeks and raised to three-fifths the proportion of base-period wages compensated. The percentage of base-period wages compensated was raised from 34 to 36 in Massachusetts and from 27–22 to 32–26 in South Dakota.

Colorado increased the maximum duration to 32 1/2 weeks and the proportion of base-period wages compensated to one-half, subject to a maximum quarterly amount. In Wisconsin the maximum duration was extended to 34 weeks. Weeks of benefits are computed as a fraction of weeks of employment; 7/10 of a week of benefit are allowed for each of the first 20 weeks of employment and 8/10 for the next 25 weeks.

In Utah, where duration is determined by the ratio of annual wages to high-quarter wages, the maximum was raised to 36 weeks, but potential duration was reduced for all claimants formerly eligible for less than 22 weeks of benefits. In Washington potential benefits were increased for all claimants. They may now receive one-third of base-period wages or 30 times the weekly benefit amount, whichever is less. No claimant who qualifies for a benefit of less than \$35 can be entitled to the maximum duration of 30 weeks, but some claimants in the \$35, \$36, and \$37 benefit brackets and all who are eligible for benefits of \$38–\$42 can qualify for 30 weeks.

Forty-one States, with 86.2 percent of all covered workers, now have a maximum potential duration of 26 weeks or more. In seven of these States, some claimants can receive benefits for 30 weeks or more, and Pennsylvania provides 30 weeks of benefits for all eligible claimants. The maximum duration now ranges from 18 weeks in Virginia to 39 weeks in Oklahoma. The number of States with specified maximum duration of benefits is shown below.

| Maximum number of weeks | Uniform duration | | Variable duration | |
|---|---|---|---|---|
| | Number of States | Percent of covered employment | Number of States | Percent of covered employment |
| Less than 26 | 5 | 4.9 | 5 | 8.9 |
| 28–26 | 7 | 17.8 | 26 | 50.8 |
| 30 or more | 1 | 7.5 | 7 | 10.1 |

## ELIGIBILITY

### Qualifying Requirements

The trend toward tighter qualifying requirements was continued during the 1959 State legislative sessions. Fifteen States, including 11 of the 22 that raised the maximum basic weekly benefit amount, made changes that in general had the effect of requiring higher earnings or earnings for a longer time.

The minimum earnings requirement was raised $200 in Iowa and $100 in Oklahoma. In Iowa the worker must have earned $200 in the high quarter and $100 in another quarter. Oklahoma requires 1 1/2 times the high-quarter wages with at least $300 in base-period wages or, alternatively, $3,000 in base-period wages.

Kansas stiffened its earnings requirements for most claimants by requiring earnings equal to 30 times the weekly benefit amount. This new requirement, combined with the change from $5 to $10 in the minimum benefit, means that the minimum earnings requirement is now $100 higher than it was. When North Dakota raised to 39 the multiple of the weekly benefit amount required to qualify for benefits and also increased by $3 the minimum weekly benefit amount, the earnings requirement for receipt of the minimum benefit was raised $138. In Oregon a claimant must now have earned $20 or more in covered employment in each of 20 weeks in the base period.

Florida adopted a qualifying requirement of 20 times the individual's average weekly wage in insured employment. The minimum average weekly wage necessary to qualify for benefits is $20; the minimum qualifying requirement is $400. In Wisconsin, where the benefit is based on the average weekly wage, 18 weeks of work are now required at an average weekly wage of at least $16.

Pennsylvania added a provision that individuals earning less than $600 in a base year must either have earned wages during 18 weeks in the base year or have earned more than 50 percent of their base-period wages in a full-time occupation in a full-time industry or enterprise and while attached to the labor market for permanent, full-time employment. This provision will affect claimants for benefits of $18 or less. Two States that provide for a flat minimum qualifying wage raised the amount of wages required—to $700 in Illinois and $650 in Massachusetts.

Increases of $90 in Arkansas (to $300) and of $100 in New Hampshire (to $500) in the minimum qualifying wage resulted when the minimum weekly benefit amount was raised. Arkansas also added a requirement of wages in 2 quarters.

New Mexico set the earnings requirement at 30 times the midpoint of each benefit bracket. As a result of this change and the new rounding provision, some individuals can qualify for benefits with base-period earnings less than the amount formerly required. Missouri's 1957 legislation requiring 17 weeks of employment and wages of at least $15 in each week became effective October 1, 1959.

Idaho and Iowa also made it more difficult for a claimant with irregular employment to qualify for benefits when they adopted requirements designed to prevent payment of benefits in 2 consecutive benefit years without intervening employment. Before claimants can requalify in Idaho, they must have 30 days of bona fide work after exhausting benefits, and in Iowa they must have earned $100 after the start of a preceding benefit year.

### Availability for Work

Six States changed their availability requirements. In Kansas the eligibility of a claimant who becomes ill or disabled after filing a claim and registering for work is not affected if no suitable work is offered after the illness or disability begins. California now allows payment of benefits if the claimant has been unavailable for 2 days or less because of a death in his immediate family or if he is unlawfully detained. In Iowa an individual must be "earnestly and actively seeking work."

Maryland amended its provision excepting from the "active search for work" requirement men aged 65 and over and women aged 62 and over who are temporarily furloughed and subject to recall; the age limit is now 60. Ohio now requires that an individual make such efforts to obtain suitable work as may be required by the administrator, who shall consider—among other factors—the worker's chances of returning to his former job, normal methods of finding work in his occupation, the length of his unemployment, and local employment conditions. In Nebraska, anyone on vacation without pay is considered available for work if the vacation is not a result of his own action, as distinguished from any action by a collective-bargaining agent or any action beyond the individual's control, regardless of whether notification of such vacation was given at the time of hiring.

## DISQUALIFICATIONS

About a third of the States amended their disqualification provisions—some by liberalizations and some by adopting more stringent requirements. In 13 States the revisions related to one or more of the three major causes for disqualification—voluntary leaving, refusal of suitable work without good cause, and discharge for misconduct, and in four States they related to all three causes.

### Voluntary Leaving

Ten States amended their provisions disqualifying individuals who voluntarily leave work without good cause. Colorado made the length of the disqualification dependent on the circumstances in which the worker leaves. It retained the provision disqualifying for the week of the occurrence and for 1–10 weeks following, with benefits reduced accordingly, but made it applicable only to leaving under extenuating conditions. When an employee leaves without extenuating circumstances, the disqualification is for the week of the occurrence and from 10 weeks to 32 1/2 weeks.

Iowa, which disqualifies for the duration of the unemployment and cancels all wage credits if the leaving was "without good cause attributable to the employer," modified two of the existing exceptions to the disqualification and added several conditions under which the disqualification is either modified or made inapplicable. Kansas changed its disqualification period to the week of occurrence and the 6 weeks immediately following. Maine reduced the minimum disqualification period from 7 weeks to 5; the variable period is now 5–14 weeks, with benefits reduced accordingly.

New Hampshire made its language more restrictive by increasing from 1 to 3 the number of weeks in which a claimant, to satisfy the disqualification, must earn wages in "employment" of at least $3 more than the weekly benefit amount. Ohio no longer cancels benefit rights based on the work that the employee left.

Oregon adopted a requirement under which an individual is disqualified (1) until he has earned at least as much as his weekly benefit amount in 4 separate weeks following the week in which the disqualification occurred or (2) for the 8 weeks following the week of the disqualifying act if the claimant is registered for work, is able and available, and is actively seeking and unable to obtain suitable work.

Tennessee changed its disqualification period to the week of occurrence and the 4 weeks immediately following, with benefits reduced accordingly, and provided two exceptions for which no disqualification or reduction of benefits is imposed. Vermont increased, from 1 week to 2, the minimum number of weeks of disqualification for all claimants except those who leave because of their health; for most claimants the disqualification period is for the week in which the claim is filed and the 2–9 weeks immediately following. California provided that a worker whose employment is terminated under the compulsory retirement provisions of a collective-bargaining agreement to which the employer is a party is not considered to have left voluntarily without good cause.

### Discharge for Misconduct

Eight States amended their provisions disqualifying for discharge for misconduct. The changes in the disqualification period adopted by Kansas, Oregon, and Tennessee were the same for misconduct as for voluntary leaving. Ohio, under an amendment similar to that for voluntary leaving, no longer cancels benefit rights based on the work from which the employee was discharged (for reasons other than gross misconduct).

Iowa and Vermont made their provisions more restrictive by increasing the minimum number of weeks of disqualification. In Iowa it is now for 4–9 weeks, with benefits reduced accordingly, and in Vermont it is for the week in which the claim is filed and 6–12 weeks immediately following.

Colorado was the only State adding a disqualification for an individual guilty of gross misconduct. Such a person is disqualified for the week of the occurrence and from 10 weeks to 32 1/2 weeks following, with benefits reduced accordingly. Ohio amended its provision for discharge for dishonesty in connection with the individual's work to include discharge "by a base-period employer," as well as from his most recent work. New Hampshire added a disqualification for a disciplinary layoff for not more than 2 weeks, beginning with the week in which the layoff is effective, if the layoff is based on good cause. Ohio provided that the disciplinary layoff must be for "misconduct in connection with the work" rather than for "just cause."

### Refusal of Suitable Work

Seven States amended their disqualifications for refusal of suitable work. Kansas and Oregon made the same change in the disqualification period as for voluntary leaving and discharge for misconduct.

Massachusetts now considers unsuitable any job that would require a woman to work between 11:00 p.m. and 6:00 a.m. Ohio includes the claimant's earlier earnings among the factors to be considered in determining if work is suitable. Tennessee changed the disqualification period to the week of the occurrence and the 4 weeks immediately thereafter, with benefits reduced accordingly.

Washington made its provision more restrictive by disqualifying the worker for the duration of the unemployment and until, in each of 5 weeks, he has earned wages equal to his weekly benefit amount. A Wisconsin amendment provides that a worker who has been recalled by a former employer and fails without good cause to return is ineligible for benefits from that employer's account until he has been employed again for at least 4 weeks and earned wages equal to four times the weekly benefit amount.

### Receipt of Other Remuneration

Colorado now reduces the worker's weekly benefit by the amount of his old-age benefit under the old-age, survivors, and disability insurance program or any annuity, pension, or other retirement pay if the benefits are based on wages from the employer paying or contributing to the retirement benefits. Pennsylvania reduces an individual's weekly benefit by the amount of a private pension that is higher than the maximum weekly benefit amount, if a base-period employer has contributed to the pension plan.

Tennessee added a provision reducing the weekly benefit by the amount of any annuity, pension, or retirement pay from a base-period employer or from any trust or fund if the base-period employer had paid at least half of the contribution to the fund. In Utah, individuals who receive or are eligible to receive retirement benefits have their weekly benefit reduced by 50 percent of the retirement benefit.

In North Dakota the weekly benefit is reduced if an individual is receiving or has claimed and will receive retirement payments under a plan to whose financing any employing unit has substantially contributed or under a system supported in whole or in part by public contributions, or under both.

Kansas and Ohio repealed provisions requiring reduction of the weekly benefit by the amount of any old-age benefit payable under the old-age, survivors, and disability insurance program. Ohio, in addition, repealed its provision reducing benefits when retirement or pension payments are being received under a retirement plan sponsored and financed exclusively by the employer, spelled out circumstances in which remuneration in lieu of notice would not be deductible, and prohibited reduction in benefits for receipt of two other types of remuneration. In Maine the weekly benefit is reduced only if, in addition to retirement pay or pension, the individual is receiving benefits under old-age, survivors, and disability insurance.

### Labor Disputes

Three States amended their provisions governing disqualifications resulting from a labor dispute. Arkansas now disqualifies a worker for "the duration of any period of unemployment if he lost his employment or has left his employment by reason of a labor dispute." Arkansas also deleted its provision excluding stoppages of work when the labor dispute was caused by the employer's failure or refusal to conform to the provisions of a labor contract or any law, State or Federal, concerning collective bargaining, hours, wages, or other conditions of work. Massachusetts added a provision allowing payment to otherwise eligible individuals if they are involuntarily unemployed while a collective-bargaining contract is being negotiated, but not after a strike or lockout has started. Ohio deleted the provision that extended the disqualification for a period necessary and reasonable for the establishment to resume normal operations; it provided also that an employee is eligible for benefits if he is laid off for an indefinite period, is separated by an employer before the dispute, or obtains a bona fide job with another employer while the dispute is in progress.

### Other Disqualifications

*Marital obligations.*—Colorado, Pennsylvania, and Tennessee added provisions disqualifying for unemployment caused by marital obligations. Oregon changed from a presumption of unavailability for 4 weeks to disqualification for the same period. Colorado now disqualifies for the week of occurrence and 1–10 weeks, with benefits reduced accordingly, and Tennessee for the duration of the unemployment and until wages equal to five times the weekly benefit amount have been earned in insured employment.

In Pennsylvania the disqualification is for the duration of the unemployment and until the worker has been reemployed and earned wages equal to eight times the weekly benefit amount. The provision is not applicable if the claimant, for a substantial part of the 6 months either before leaving work or before filing his application, was the sole or major support of his family or if he moves to a new locality and the work from which he separated is not within reasonable commuting distance.

*Pregnancy.*—Provisions disqualifying for unemployment resulting from pregnancy were added by two States. In Tennessee the disqualification is applicable after the claimant is able to work and covers the week in which the claim is filed and the next 4 weeks; in addition, benefits equal to 10 times the weekly benefit amount are canceled. Colorado added a disqualification for the week in which the unemployment began and for 1–10 weeks, with benefits reduced accordingly.

Ohio changed its provision to a presumption of unavailability for not less than 8 weeks before and 8 weeks after childbirth, and Oregon changed to a disqualification for the period beginning with the week in which the woman left work and ending 6 weeks after the date the pregnancy was terminated.

Pennsylvania now presumes unavailability for work and ineligibility for benefits for a period beginning 30 days before the anticipated birth and ending 30 days after the child's birth. Under an amendment to the voluntary-leaving provision, pregnancy is not considered a "necessitous and compelling reason" for leaving work; thus, if she leaves work voluntarily because of pregnancy, the claimant is ineligible for the duration of her unemployment and until she has earned an amount equal to eight times the weekly benefit amount. Under a new provision, a claimant laid off or discharged because of pregnancy is held ineligible for benefits for 90 days before the anticipated birth and 30 days after the child's birth.

Wisconsin made its provision more restrictive by increasing the disqualification period to 10 weeks before the expected date of childbirth.

*Fraudulent claim.*—Colorado was the only State to add an administrative disqualification for fraudulent misrepresentation concerning the reason for separation from employment or for refusing to accept a bona fide offer of employment. The disqualification is for the "period of adjudication" as determined by the Department of Employment.

*School attendance.*—Under a Pennsylvania amendment, benefits are not payable on wages earned by a full-time student in temporary employment during vacation periods or in employment that is an integrated part of a cooperative educational curriculum. Ohio no longer disqualifies a person who leaves work to attend school or is regularly attending school. Utah liberalized its provision concerning the availability of students by specifically permitting attendance at an approved training course and by deleting the provision that unemployment must have begun before enrollment in the school.