Unemployment Compensation Legislation of 1941*

WITH THE ENACTMENT in October of amendments to the Massachusetts law, the main State legislative activity of 1941 affecting unemployment compensation came to an end. During the year the legislatures of 43 States and the Territories of Alaska and Hawaii, meeting in regular sessions, revised their unemployment compensation laws in some respect, and the United States Congress passed two amendments to the unemployment compensation law of the District of Columbia.

On the whole, the benefit provisions in State laws were made more nearly adequate. Except for general reductions in the waiting period, the changes in the benefit formulas were varied; some States raised the minimum benefit rate, others the maximum, and still others provided longer duration. In the 34 States which amended their benefit provisions during the year, the changes will result, it is estimated, in an average increase in benefit payments of approximately 20 percent. In addition, provision was made in most States to preserve the benefit rights of individuals in military service. On the other hand, coverage was extended in very few States and restricted in several, and new or more stringent disqualifications will deny benefits to many workers.

Coverage

Extension of coverage to small firms occurred in only a few States, in spite of urgent recommendations by the Social Security Board and the introduction of a large number of bills before the legislatures, many of them backed by State administrative agencies and advisory councils. In 2 States employers of one or more workers became subject to the law: Washington extended coverage to employers of less than 8 persons, effective July 1, 1941, and Massachusetts instituted compulsory coverage of employers of less than 4 persons beginning with 1943. Connecticut provided for including in 1942 and thereafter businesses which employ 4 or more persons in 13 weeks instead of the former limitation to employers of 5 or more in 20 weeks. Other revisions included a change in Arkansas, where the period within which the specified employment must have occurred was changed from 20 to 10 weeks for 1941 and to 10 days thereafter, and in Montana, where specified employment (1 or more persons in 20 weeks) and specified pay rolls ($500 within the year) were made alternative, rather than joint, stipulations. These amendments will, however, add less than 1 percent to the number of workers covered by State laws in the country as a whole.

Coverage will also be affected in those States which followed the Congress in covering only the types of employment subject to the amended Federal Unemployment Tax Act. By one amendment, Congress had granted permission to the States to require contributions of certain instrumentalities of the United States—chiefly national banks and member banks of the Federal Reserve System—if they were not wholly owned by the United States and not exempt by other provision of law. During 1941, provisions to take advantage of the congressional permission were written into the laws of 20 States.[1]

Coverage was, however, cut by the adoption of several new employment exclusions, in line with other amendments to the Federal Unemployment Tax Act. The exclusions affect such groups as newsboys, student nurses and internes, insurance agents, domestic servants working for college clubs, casual laborers, and employees of certain organizations whose compensation is negligible.

Probably the most significant exclusion will result from amendments which define agricultural labor in much the same terms as those used in the revised Federal act. The new definition encompasses many operations, especially commercial harvesting, packing, grading, and storing, which were not previously considered to be within the scope of the exemption. It has been estimated that, for the country as a whole, the uniform adoption of the Federal definition of agricultural labor would probably remove about 100,000 workers

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[1] Arizona, Colorado, Connecticut, Florida, Indiana, Iowa, Kansas, Maryland, Michigan, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

from the covered group. During 1941, 16 States[2] adopted the comprehensive definition used in the Social Security Act. Florida followed it closely but specified that citrus workers, the largest group in commercial agriculture in the State, should not be excluded from coverage, although they may not during the third quarter of any year draw benefits based on wages earned in certain citrus-fruit operations. Arkansas, Idaho, Oklahoma, and Wyoming adopted definitions which would exclude fewer persons than the Federal definition.

Benefits

Thirty-six State legislatures made changes in the benefit formulas. Only 9 of these[3] made substantial increases in both the rate and duration of benefits, while 8 of them[4] left these primary factors untouched. Benefit rates were revised by 26 States in all; 20 revised the minimum weekly benefit amount, 12 the maximum, and 13 the method of computing benefit rates.

Ohio, which previously had no floor on benefits, provided a $5 minimum weekly benefit amount. Thirteen other States which had flat minimums increased them in amounts of from $1 to $4. North Carolina raised the minimum from $1.50 to $3; South Carolina from $3 to $4; Florida and Maine from $3 to $5; Tennessee from $4 to $5; Connecticut and New Hampshire from $5 to $6; West Virginia from $3 to $6; Michigan from $6 to $7; Maryland and Minnesota from $5 to $7; South Dakota from $3 to $7; Oregon from $7 to $10. In 5 States, flat minimum weekly benefit amounts were established in place of a minimum set as a fraction of weekly or quarterly wages. In Arizona and Vermont the minimum became $5 instead of $5 or ¾ of the full-time weekly wages; in Georgia it went from $5 or ¾ of the full-time weekly wage to $4; in Oklahoma, from $8 or ¾ of the full-time weekly wage to $6; and in Kansas, from $5 or 6 percent of high-quarter wages to $5. Missouri, which previously provided a minimum of $5 or ¾ of the full-time weekly wage, but not less than $2 per week, now specifies a minimum of $3.

The significance of these changes in the minimum will vary from State to State. In Michigan, for instance, it was estimated that the increase from $6 to $7 would increase benefit costs infinitesimally (0.04 percent) in an "average" year. In Florida the change from $3 to $5 may be much more significant, since about 5 percent of the payments for total unemployment have been between those two amounts. In Ohio the average weekly payment for total unemployment was raised from $10.25 to $13.05 by the new minimum rate, together with a more liberal method of computing benefits, an increased maximum, stiffened eligibility requirements, and unusual economic conditions which displaced high-paid workers.

Twelve States revised their laws to increase the maximum weekly benefit amount. The $15 maximum which had prevailed in all but 2 of these States was increased by amounts ranging from $1 to $5; in Indiana, Minnesota, Ohio, and Oklahoma the maximum was raised to $16; in Maryland and Wisconsin, to $17; in Georgia and Missouri, to $18; and in Connecticut and Hawaii, to $20. Illinois and Utah, both of which formerly provided a $16 maximum, raised it to $18 and $20, respectively.

Use of the full-time weekly wage as a method of computing the weekly benefit rate was abandoned in 3 States. Two of them, Nebraska and North Dakota, will now determine all rates as $\frac{1}{25}$ and $\frac{1}{26}$, respectively, of wages earned in the calendar quarter of highest earnings, while Oklahoma set the fraction at $\frac{1}{20}$, thus allowing for lack of full employment even in that quarter. Minnesota and New Hampshire departed completely from the concept of relating benefits to full-time employment and will now determine benefit rates on the basis of annual wages. The proportion of highest-quarter earnings paid as the weekly benefit was increased for all workers in Oregon, Maryland, and Utah, and for lower-paid workers in Tennessee. Oregon will pay at the rate of 6 percent (instead of 5 percent of the high-quarter wages), Maryland and Utah at $\frac{1}{20}$ (instead of $\frac{1}{26}$ and $\frac{1}{24}$, respectively), and Tennessee at rates varying from $\frac{1}{26}$ to $\frac{1}{20}$ (instead of $\frac{1}{26}$ in all cases).

Lower-paid workers also received special consideration in 4 other States, which adopted provisions for computing the benefit rate on the basis of a weighted schedule. Florida changed from

[2] Arizona, Colorado, Delaware, Georgia, Hawaii, Indiana, Maryland, Minnesota, Missouri, New York, North Dakota, Oregon, South Carolina, South Dakota, Utah, and Washington.

[3] Connecticut, Georgia, Hawaii, Maryland, Missouri, Ohio, Oklahoma, Utah, and Wisconsin.

[4] Colorado, Idaho, Massachusetts, Montana, Nevada, New Mexico, South Carolina, and Wyoming.

1/20 of high-quarter wages, Georgia from 1/26 of high-quarter wages, and Ohio from 50 percent of average weekly wages, to a weighted schedule of high-quarter wages. Wisconsin adopted a schedule providing a benefit rate ranging from 48 1/2 to 66 2/3 percent of the average weekly wage, to replace the former provision of 50 percent.

Twenty-two legislatures made changes in provisions affecting the duration of benefits. Two States which already provided uniform duration increased the number of weeks allowable: Ohio from 16 to 18, and West Virginia from 14 to 16. Four States—Georgia, North Dakota, Hawaii, and Utah—changed from variable duration to provisions for uniform duration of 16, 16, 20, and 20 weeks, respectively. Minnesota adopted a schedule of base-year wages which provides duration ranging from 10 to 16 times the weekly benefit amount. The amounts provided, however, are approximately the same as those under the previous formula. In New Hampshire the uniform duration of 14 times the weekly benefit amount was provided for the lowest 3 benefit rates, and 16 times for the others; this change was accompanied by a change to an annual wage base for computing benefit rates.

The other States which amended their duration provisions retained the general pattern which specifies the total benefits a worker may receive in terms of a fraction of his base-period wages, but not more than a certain multiple of his weekly benefit rate. Revisions in these States were made in either or both of the factors limiting duration.

In Connecticut, Illinois, and Missouri, both the ratio of benefits to wages and the maximum duration were revised upward. Connecticut, however, provided for modifications of the benefits if the fund goes below a given amount. The new schedule provides benefits of 1/6 of wages or 15 times the weekly benefit if the balance in the State fund is between $25 million and $40 million, and up to 1/5 of wages or 18 times the benefit amount if the balance is $40 million or greater. The former provision of 2/13 of wages or 13 times the weekly benefit amount will again apply if the balance should drop below $25 million. The fund held some $64 million at the end of 1941. Illinois adopted a schedule providing for duration equaling from 26 to 49 percent of wages but not more than 20 times the weekly benefit rate (instead of 25 percent of wages or 16 times the benefit amount). In Missouri the ratio of benefits to wages was changed from 16 to 20 percent and the maximum number of full weeks compensated, from 12 to 16.

Three other States revised only the ratio of benefits to wages and left the maximum the same: Delaware and Oklahoma changed from 1/6, and Kansas from 16 percent, to 1/5 of a year's wages. In Wisconsin, where duration has always been determined on the basis of past weeks of employment without a specific maximum, the ratio was also increased—from 1/3 to 1/2 of a week's benefit for each week of employment. Indiana, Maryland, Michigan, and Vermont retained their former ratios of benefits to base-period wages but raised the maximum duration—from 15 to 16 times the weekly benefit amount in Indiana; from 16 to 20 times in Maryland; from 16 to 18 times in Michigan; and from 14 to 15 times in Vermont.

The importance of the changes in duration varies with the wage pattern of the State. In Michigan, for instance, the change in the maximum from 16 to 18 weeks affected almost half the claimants in the State, since that proportion had benefit rights limited to 16 weeks, and was expected to result in an increase in benefit payments of 1.9 percent in a "normal" year.

Duration was restricted in Arkansas by limiting it according to the number of base-period quarters in which the claimant had substantial earnings. In Maine and South Dakota, also, the former uniform duration was reduced for persons in the lowest wage groups. The benefit rates applicable to those wage groups were increased however.

The most widespread change affecting benefits was related to a reduction in the waiting-period requirements. In all, 19 States amended their laws during 1941 to provide that a claimant would be eligible after 1 week. Formerly 13 of these States [5] had required 2 weeks in the benefit year; 4—Arizona, Arkansas, Indiana, and Kansas—had required 2 weeks in every 13, some of them with maximum limits; Connecticut had specified 2 weeks, one of which must have been within the preceding 4 months; and West Virginia had provided a waiting period of 3 weeks. Georgia, Idaho, Michigan, New Hampshire, and Wisconsin retained 2-week waiting periods but eliminated

[5] Delaware, Florida, Hawaii, Illinois, Maine, Maryland, Massachusetts, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Utah.

requirements for additional weeks under certain conditions. Montana modified conditions under which additional weeks must be served. Missouri, Ohio, Oregon, South Dakota, and Vermont, which had required 3 weeks, now require only 2.

The value of a reduction in the waiting period is particularly related to the business cycle. In years of rising activities, a short waiting period entails a considerable increase in benefit costs; in depression years, practically none. It was estimated that elimination of the additional weeks in Michigan would raise the State's benefit costs 1.6 percent in an "average" year. In Florida, the substitution of a 1-week for a 2-week waiting period will increase benefit payments at least 4 percent under conditions similar to those prevailing in 1940, and in Indiana about 8 percent on the basis of experience in the last half of 1939 and the first half of 1940.

Eligibility requirements were modified in 20 States but there was no uniformity in the amendments. Seven States [6] adopted a wage qualification expressed as a flat amount and ranging from $100 to $200, instead of one which was related to the benefit rate. In one of these States, Florida, although a requirement of earnings in at least 3 of 8 quarters was imposed in addition to $200 earned in the period, the change is expected to result in reducing the proportion of ineligible claimants from 44 percent under the former law to 34 percent. Nevada and West Virginia modified their existing flat-earnings requirements to call also for earnings in more than 1 quarter of the base period, and Michigan increased the amount required to qualify for benefits and specified earnings in 2 quarters rather than $50 in each of 2 quarters. Although it seems that, in most cases, an increased wage requirement would cut benefit costs because of the smaller number of eligible claimants, the Michigan agency expected a small rise (0.5 percent), since claimants eligible on the new basis would be entitled to greater benefits. In Arkansas, Georgia, Hawaii, Missouri, and Oklahoma the wage qualification used to determine eligibility was stiffened by increasing the multiple of the weekly benefit amount; in South Carolina and Utah it was relaxed for all claimants; and in Tennessee, for claimants entitled to the lowest benefit rate. Wisconsin claimants, who had previously been eligible for benefits from the account of any employer with whom they had served 4 weeks, now must show a total of at least 14 weeks of employment in 52, with all employers. Ohio added an earnings provision to its employment requirement.

Amendments to provisions for partial unemployment benefits were also adopted in several States. However, the 3 States—Montana, New York, and Pennsylvauia—which had no provision for partial benefits failed to cover that type of unemployment. In West Virginia a 2-year-old experiment in paying partial benefits on the basis of amounts earned in a calendar quarter was abandoned, and a plan for paying on the basis of time lost within a pay period was adopted in its stead.

Benefit Rights of Military Trainees

The mobilization of the National Guard and reserve components of the military and naval forces and the enactment of the Selective Training and Service Act of 1940 brought before the State legislatures the problem of assuring that the unemployment benefit rights of persons called into the armed forces would not lapse before the individuals were released. Late in 1940 the New Jersey law had been amended to include a statement that rights should not be prejudiced because of induction into military service. During 1941, 37 States adopted provisions for freezing benefit rights.

Most of the military-service provisions make available to a claimant who has been recently discharged from the armed forces the same amount of benefits as those to which he would have been entitled had he been unemployed at the time of entry into service. This result is accomplished by modifying the usual base period to exclude quarters of military service, a type of provision adopted by 30 States.[7] In 4 other States—Florida, Georgia, South Carolina, and Tennessee—the administrative agency is directed to adopt regulations for freezing benefit rights.

Three States, instead of preserving existing rights, grant new ones by automatically crediting the discharged individual with a certain amount

[6] Connecticut, Florida, Kansas, Maryland, Massachusetts, Minnesota, and Nebraska.

[7] Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Hawaii, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Dakota, Vermont, and Wisconsin.

of wage credits for each quarter of military service. Utah allocates to each such quarter an amount equal to the individual's highest quarterly earnings in the 8 quarters preceding induction. In Illinois and Washington the credit is sufficient to provide maximum benefits if the claimant's base period consists entirely of service quarters; however, the Illinois law requires the individual to have earned qualifying wages prior to his entry into service, while in Washington he may have had no covered employment and still receive maximum credits if he was a resident of the State at time of induction.

Most of the freezing provisions apply only to individuals who entered the armed forces after some date in 1940 and thus assure that the service arose from the defense emergency. The laws are not at all uniform, nor are many of them specific, as to the types of service covered. Some are so broad as to cover any individual who enters the military or naval forces or even civilian employment in Government arsenals, shell-loading plants, and other enterprises operated by the Government in connection with the defense program.

Many of the provisions are also limited to exclude persons released after some date a few years hence. This limitation will require subsequent legislatures to reconsider the provisions in the light of changing conditions and permit freedom of action in dealing with new problems which may arise.

Disqualifications

The theory underlying disqualifications for unemployment benefits is to assure that an individual's unemployment is due to lack of work and not to some act of his own. For that reason, disqualification provisions in early laws were for relatively short periods of time following the disqualifying act, and unemployment extending beyond that date was considered due to conditions of the labor market and therefore compensable.

More recently, a new concept has become evident in the disqualification provisions—that of penalizing the disqualified worker either by making him serve an extremely long disqualification period or by reducing the amount of benefits otherwise due him in his benefit year. Begun in 1939, this trend was continued in 1940 and was quite evident in the legislation of 1941.

Prior to the 1941 legislative sessions, New York was the only State with no provision for disqualifying a worker who voluntarily left his job. In 1941 New York enacted such a provision. Of the 27 States which revised their existing provisions on voluntary leaving, 13 [8] increased the maximum period for which the claimant could be disqualified. Five of the 13—Colorado, Georgia, New Mexico, North Carolina, and West Virginia—as well as Minnesota and Wyoming, which did not provide an increase; and Arizona and Michigan, which decreased the maximum weeks of disqualification for voluntary leaving, added a provision whereby claimants' benefit rights would be reduced by a specified number of weeks. Ohio, which already had such a provision, increased the number of weeks by which benefits could be reduced. Florida, Kansas, and New Hampshire rescinded previous provisions for reduction of benefits, but Florida increased the number of weeks for which the claimant could be disqualified, and New Hampshire substituted a disqualification for the full period of unemployment next ensuing after voluntary leaving.

The provisions for disqualification in cases of discharge for misconduct were changed in 27 States. Massachusetts, which did not previously disqualify the claimant in such cases, added a disqualification for the duration of unemployment next ensuing after the claimant's discharge for misconduct. Nine States [9] increased the number of weeks for which the claimant could be disqualified. Colorado, Georgia, and North Carolina added provisions for the reduction of the claimant's maximum benefits, as did Maryland and Minnesota, which did not increase the number of weeks of disqualification, and Arizona, Michigan, and West Virginia, which decreased the number of weeks. Ohio, which already had such a provision, increased the number of weeks by which benefits might be reduced. Kansas and New Hampshire repealed provisions for reduction in cases of discharge for misconduct in general, but still impose a reduction in cases of discharge for felony. The Florida provision reducing benefit rights was dropped, but the maximum weeks for which the claimant could be dis-

[8] Colorado, Delaware, Florida, Georgia, Illinois, Maryland, Nevada, New Mexico, North Carolina, North Dakota, Vermont, Washington, and West Virginia.

[9] Colorado, Delaware, Florida, Georgia, Illinois, Nevada, New Mexico, North Carolina, and North Dakota.

qualified was raised. Oklahoma and Vermont decreased the number of weeks of disqualification.

The disqualification for refusal of suitable work was amended in 18 States. Eight States [10] increased the maximum number of weeks for which the claimant can be disqualified. Of the 8, Colorado, Maryland, Georgia, and North Carolina added a provision for reduction of benefits by a specified number of weeks, as did Idaho, Michigan, and Wyoming, which retained their previous maximum of 5 weeks. Missouri adopted a provision for disqualification and reduction, in lieu of the previous provisions for cancelation of all prior wage credits. Kansas, on the other hand, repealed its provision for the reduction in benefits. Minnesota changed from a disqualification for a given number of weeks to a requirement that the individual must again earn the full amount of qualifying wages before he is eligible for benefits.

The provisions for disqualification in case of a labor dispute were amended in 13 States. Three States added a provision that the disqualification is not to apply in certain cases: in Arkansas, if the dispute is due to the employer's failure to conform to an agreement or a labor law, or to accept conditions of work desired by a majority of his employees; in New Hampshire, if the stoppage is due solely to the employer's failure to abide by an employer-employee contract; in West Virginia, if conditions of work are less favorable than those of similar work in the locality, or if the employer closes the plant or dismisses employees in order to force a change in wages, hours, or other conditions. Lock-outs were also excepted from the category of labor disputes in Arkansas, Connecticut, and Ohio. Five States—Arkansas, Hawaii, New Mexico, North Dakota, and Oklahoma—will cease applying a disqualification to individuals or members of a grade or class of workers who are only financing a labor dispute. New York substituted for the previous 10-week waiting-period requirement a disqualification for either 7 weeks, in addition to the regular 3-week waiting period, or the duration of the dispute, whichever is less. A provision limiting the disqualification to 8 weeks was removed from the Alaska law.

Twenty-seven States made miscellaneous disqualification amendments. In general, new disqualifications were adopted for causes not previously held disqualifying in those State laws, particularly with respect to individuals who have made claims fraudulently, those who have left work voluntarily to marry or because of marital obligations, and students. Nine States added a disqualification for cases of fraudulent claim—for as much as a year in 4 States—and 5 States increased the severity of the previous disqualification. Seven States disqualified women who voluntarily leave work in order to marry or because of marital obligations, while 3 States disqualified women who lose their positions on account of marriage. Two States extended disqualification to women who voluntarily quit work on account of pregnancy; 1 State, to those who are required to leave because of pregnancy; another, to those unavailable on account of pregnancy; and 2 States, for specified periods before and after childbirth. Six States added a disqualification with respect to students.

Contributions

The principal amendments of 1941 affecting employer contributions—aside from those involving experience rating—were changes in the wage base for computing taxable pay rolls. Following the Federal Unemployment Tax Act, 26 State legislatures provided that contributions should be based on wages paid instead of wages payable. As also provided in the Federal act, amounts in excess of $3,000 paid to an employee by an employer for services performed in any 1 year were exempted from contributions in 22 States. In all but 1 of these 22 States, as well as in 10 others, certain other payments were excluded, such as dismissal payments not legally required, payment of the employees' tax under the Federal Insurance Contributions Act, and payments into certain insurance or other benefit funds for employees.

The 1941 amendments concerning experience rating indicated no definite trend but reflected uncertainty as to the form which experience rating should take and the time when it should go into operation.

Alaska, Tennessee, and Utah repealed experience-rating measures, providing instead for further study of the problem, while Georgia introduced a rating plan but stipulated that its operation should be subject to continued study. In Maryland the only mention of experience rating, a

[10] Colorado, Georgia, Illinois, Maryland, Nevada, New Mexico, North Carolina, and North Dakota.

study provision, was removed from the unemployment compensation law.

The effective date for experience rating was changed under 7 laws; 4 States postponed [11] and 3 advanced [12] the beginning of contribution-rate modifications. In addition, the due date for the report on the study required under the Washington law was postponed from 1941 to 1943, while the report under the Montana law will be due in 1943, 2 years earlier than the date formerly set.

The significant changes made in measures of experience with unemployment risks also displayed considerable variety. The newly enacted Georgia plan rates an employer on the basis of the ratio of his reserves (contributions minus benefits) to his average annual pay roll. The same type of plan, usually referred to as the reserve-ratio plan, was discarded by the Florida and Oklahoma legislatures; Oklahoma substituted a beneficiary wage-ratio plan, which relates to pay rolls the total base-period wages paid by an employer to employees who become eligible for benefits, while Florida introduced the benefit-ratio type of rating, which relates the benefits charged against an employer's account to his pay roll. The measure of experience under the Minnesota law, which was changed from the reserve-ratio to the beneficiary wage-ratio plan in 1939, was again changed in 1941 to the benefit-ratio plan. Another direct contrast appears in the action of the North Carolina and South Dakota legislatures; the former substituted the reserve-ratio plan for one which required the administrative agency to decide on the method for measuring an employer's experience, while the latter substituted administrative rating for the reserve-ratio system.

In several other States where the essential features of the existing experience measures were retained, modifications were made in the amounts to be credited to an employer's account, in the manner of charging benefits, or in the length of pay-roll base used in calculating ratios.

As to contribution rates assignable under experience-rating provisions, there was again no definite direction to the changes. Maximum contribution rates were reduced under 4 laws and increased under 2, while minimum rates were decreased under 2 laws and increased under 2. More significant changes occurred in Indiana, where the reserve requirement for each rate was lowered; in Connecticut, where 2 different rate schedules were prescribed, each to apply when the balance in the State fund is within or above certain limits; and in Michigan, where State experience was eliminated as a medium for weighting employer experience in determining applicable contribution rates.

One important development was the adoption or strengthening of State-wide reserve requirements. These requirements are usually phrased as ratios of the fund's balance to past benefits or pay rolls or as given dollar amounts and may specify that no individual rate reductions may be granted unless the requirement is met; or that no rates may be lower than a specified percent; or that each employer's contribution may be increased by the addition of a specified percent of annual pay rolls to the rate otherwise applicable. Six States [13] adopted these safety limits, and 7 others [14] strengthened the requirements already provided in their experience-rating plans. Colorado was the only State to lower the requirement. The Oklahoma amendments did away with the State-wide reserve requirement, but the new experience-rating plan adopted attempts to replenish the fund each year by the amount of benefits paid out.

[11] Arizona from January 1, 1941, to January 1, 1942; Arkansas from January 1 to April 1, 1942; the District of Columbia from July 1, 1942, to July 1, 1943; and Nevada from January 1, 1942, to January 1, 1943.

[12] Connecticut from July 1 to April 1, 1941; Hawaii from July 1, 1942, to April 1, 1941; and Kansas from January 1, 1942, to January 1, 1941.

[13] California, Georgia, Missouri, Ohio, Oregon, and South Dakota.

[14] Connecticut, Florida, Hawaii, Nebraska, New Hampshire, South Carolina, and Wisconsin.