Variations in Benefit Rights Under State Unemployment Compensation Laws

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"The worker's benefits must not be different in New York and Seattle. He must have stable, predictable benefit rights wherever he goes," said William Hodson, Commissioner of Welfare in New York City, in a letter to the *New York Times*, February 19. Many speakers at the hearings on war displacement benefits before the House Ways and Means Committee in February assumed that the State laws did in fact provide uniform benefits. The purpose of this article is to explore likenesses and differences in the benefit provisions of the present 51 State unemployment compensation laws as they would affect four hypothetical claimants. No such exploration can be exhaustive; one thorough-going analysis of all the benefit provisions of the State laws requires 75 pages.[1]

Obviously, such an analysis is not concerned with the statistical significance of the variations in benefit rights in terms of the number of claimants affected. Wage levels and patterns of employment vary from State to State so that the proportion of claimants with the four amounts of wages cited varies greatly from State to State. The effect of each State's benefit formula in terms of the wage and employment experience of actual claimants during given periods is shown in regular tabulations of distributions of weekly benefit amounts and of special analyses of duration of benefits.[2] The purpose of this article is to supplement the statistical analyses with a discussion of the benefits available under the different laws for claimants with identical wage experience.

Because most State laws compute the weekly benefit amount as a fraction of high-quarter wages (subject to minimum and maximum limitations) and maximum potential benefits in a benefit year as a fraction of base-year wages (subject to maximum limitations), assumptions were made concerning the high-quarter and base-period wages of four workers, and the benefit rights which such wages would confer were computed for each State. In States in which weekly benefit amount as well as maximum potential benefits depends on annual earnings, the assumptions concerning base-period earnings made possible computation of benefit rights. Only for Wisconsin was it impossible to estimate benefits on the basis of the assumed data, because weekly benefits of \$2 to \$17 are based on average weekly wages in a specified period per employer.[3]

Many minor differences in the laws with regard to base period were ignored in the tabulations. If the qualifying period differs from the base year, it was assumed that the base-year wages of each claimant were earned in the State's qualifying period. Whether the State has a uniform or an individual base period, or a requirement that wages must be earned in at least 2 or 3 quarters, it was assumed that the wages of each claimant were earned in the effective base period. For States requiring at least a certain amount of wages in 1 quarter of the base period, the effective distribution of base-period earnings was assumed. For States in which limitations are placed on benefits based on wages earned in seasonal industries or occupations, it was assumed that each claimant earned the wages specified in nonseasonal employment. For Arkansas it was assumed that the wages were earned in all 4 quarters, to make maximum benefits available.

For 6 States [4] with base periods longer than 1 year, benefit duration was computed as if the

*Bureau of Employment Security, Unemployment Compensation Division. This article is based on provisions of the State laws in effect June 1, 1942, except for Kentucky and Pennsylvania where amendments enacted prior to June 1 are not effective until July 1. Michigan and New York have liberalized their benefit formulas considerably and Rhode Island slightly since the hearings on war displacement benefits.

[1] *Comparison of State Unemployment Compensation Laws as of December 31, 1941* (Employment Security Memorandum No. 8), pp. 68-142.

[2] See, for instance, "Size of Benefit Payment for Total Unemployment, Fourth Quarter, 1941," *Social Security Bulletin*, Vol. 5, No. 4 (April 1942), pp. 50-53, and "Duration of Unemployment Benefit Payments in 27 States," *Social Security Bulletin*, Vol. 5, No. 3 (March 1942), pp. 5-13.

[3] Each hypothetical claimant might be eligible in Wisconsin, but weekly benefit amount and duration would depend on distribution of earnings by weeks and by employers. Duration is computed separately for each employer in the ratio of 1 week of benefits for each 2 weeks of employment (not to exceed 40 weeks) within 52 weeks. Minimum duration is 7 weeks; since benefits at less than \$5 are payable at the rate of \$6 per week, duration may be reduced to 2 and a fraction weeks.

[4] Indiana, 5-6 quarters; Arizona, Florida, Iowa, Missouri, and Pennsylvania, 8 quarters.

assumed base-year wages represented total base-period wages, but all such cases are noted in the table and text. A different result would be obtained if it were assumed that base-period wages were proportional to the wages specified for a single year. However, in all these States except Florida and Pennsylvania, that assumption would require further assumptions concerning the recency of the claimant's previous benefit years and the amount of his uncharged wage credits, since the longer base period would be no advantage if the claimant had previously drawn benefits on the early wage credits.

A Marginal Claimant

Claimant A is a worker with marginal attachment to the labor market. He has high-quarter wages of $100 and base-period wages of $200. In California, Illinois, and Michigan, he would be ineligible for minimum benefits of $10, $7, and $10 because these States require, respectively, qualifying wages of $300, $225, and $250 in the base period. In the other States (except Wisconsin), he would be eligible for from $32 to $140 in a benefit year at weekly rates varying from $4 to $10 (table 1). In 36 States, he would receive the State minimum benefit rate. In 11 States with minimum benefit rates varying from $2 to $6, claimant A would receive $4 to $7.25 per week. In the 47 States in which he would be eligible for benefits, his benefit amount would be $4 in 8 States; $5 in 23 States; $6 in 6 States; $7 in another 6 States; and in the remaining 4 States, $4.50, $7.25, $8, or $10 per week.

The total amount of benefits payable to claimant A in a benefit year would be less than $50 in 12 States, $50 but less than $75 in 23 States, $75 but less than $100 in 8 States, $100 in the District of Columbia, Hawaii, and Utah, and $140 under recent amendments to the New York law. The maximum amount payable is determined as a multiple (14 to 20, most frequently 16) of the weekly benefit amount in the 13 States having uniform duration.[5] In most of the other States, the maximum potential benefits are limited to a fraction of base-period wages—most frequently ⅓. Thus in 12 States, claimant A's maximum potential benefits are computed as $66.67; in 7 of them, the amount is rounded to $67; in Arkansas and New Mexico, it is reduced to 16 times the weekly benefit amount or $64; and in Delaware, to 13 times the weekly benefit amount or $65.

Six of the States which would give this claimant maximum potential benefits of less than $50 have a base period longer than 4 quarters and allow only ⅕ to ⅙ of wage credits. If claimant A had had wages in all quarters of his base period comparable to the wages in the last 4 quarters, his maximum potential benefits might have been increased to $40–48 in Indiana, $56 in Pennsylvania, $66.67 in Iowa, $67 in Florida and Arizona, and $80 in Missouri. It is interesting that Oregon, which gives claimant A the highest weekly benefit amount ($10) in the country, gives him the lowest total potential benefits ($33.33) of any State with a 1-year base period.

The number of weeks[6] for which claimant A could draw benefits is even more varied than the amount of potential benefits—from 3 and a fraction weeks in Oregon, where potential duration of benefit payments is related to base-period wages, to 20 weeks in Hawaii, New York, and Utah, where potential duration is the same for all eligible claimants. In 10 other States with uniform duration, he could receive 14 to 18 weeks. In all the States, regardless of individual or uniform duration, A could draw benefits for less than 9 weeks in 12 States; 9 to 12 weeks in 10 States; and 13 weeks or more in 25 States. Five of the 12 States with the shortest duration are States with base periods longer than 1 year, in which duration might be increased if the entire base-period wages were comparable to those of the 1-year base period.

In 9 States, claimant A would be eligible for the minimum total amount of benefits possible under the State law. In New Jersey, the minimum of $42 results from the provision for a minimum duration of 6 weeks and a minimum weekly benefit amount of $7 which exceeds the available fraction of A's total wages (⅕ of $200). In 8 States,[7] A's potential benefits represent the State's minimum because his base-period wages of $200 are the minimum required for eligibility for benefits.

[5] Georgia, Hawaii, Kentucky, Mississippi, Montana, New York, North Carolina, North Dakota, Ohio, South Carolina, Tennessee, Utah, and West Virginia. Maine, New Hampshire, and South Dakota have uniform duration for the higher wage classes.

[6] Duration is measured in weeks of total unemployment. The actual duration may be longer if some or all weeks of compensable unemployment are weeks of part-total or partial unemployment.

[7] Florida, Kentucky, Minnesota, Nebraska, Nevada, New Hampshire, Oregon, and Washington. Kansas requires $200 in 4 quarters or $100 in 2 quarters.

Table 1.—*Weekly benefit amount for total unemployment and maximum potential benefits in a benefit year for four hypothetical claimants with specified high-quarter and base-period wages, by State*[1]

State	Claimant A: High-quarter wages of $100 and base-period wages of $200			Claimant B: High-quarter wages of $250 and base-period wages of $500			Claimant C: High-quarter wages of $400 and base-period wages of $1,000			Claimant D: High-quarter wages of $500 and base-period wages of $1,500		
	Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits		Weekly benefit amount	Maximum potential benefits	
		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)		Amount	Duration (weeks)
Alabama	$4.00	$67.00	16+	$10.00	$167.00	16+	†$15.00	†$300.00	†20	†$15.00	†$300.00	†20
Alaska	*5.00	67.00	13+	13.00	167.00	12+	†16.00	†256.00	†16	†16.00	†256.00	†16
Arizona	*5.00	[3] 34.00	[3] 6+	10.00	[3] 84.00	[3] 8+	†15.00	[3] 167.00	[3] 11+	†15.00	†210.00	†14
Arkansas	4.00	[3] 64.00	[3] †16	10.00	[3] 160.00	[3] †16	†15.00	[3] †240.00	[3] †16	†15.00	[3] †240.00	[3] †16
California	Ineligible	Ineligible	Ineligible	13.00	208.00	16	†18.00	324.00	18	†18.00	414.00	23
Colorado	*5.00	66.67	13+	10.00	160.00	†16	†15.00	†240.00	†16	†15.00	†240.00	†16
Connecticut[4]	*6.00	50.00	8+	10.00	110.00	11	15.50	210.00	13+	19.50	310.00	15+
Delaware	*5.00	65.00	†13	10.00	130.00	†13	†15.00	†195.00	†13	†15.00	†195.00	†13
District of Columbia[5]	*6.00	100.00	16+	11.00	209.00	†19	†18.00	†342.00	†19	†18.00	†342.00	†19
Florida	*5.00	[2] *33.50	[2] *6+	11.00	[2] 83.50	[2] 7+	†15.00	[2] 167.00	[2] 11+	†15.00	†240.00	†16
Georgia	5.00	80.00	‡16	10.00	160.00	‡16	15.00	240.00	‡16	†18.00	†288.00	‡16
Hawaii	*5.00	100.00	‡20	10.00	200.00	‡20	16.00	320.00	‡20	†20.00	†400.00	‡20
Idaho	*5.00	50.00	10	11.00	125.00	11+	15.00	250.00	16+	16.00	272.00	†17
Illinois	Ineligible	Ineligible	Ineligible	12.50	180.00	14+	†18.00	280.00	15+	†18.00	†360.00	†20
Indiana[6]	[7] 4.00	[7] 32.00	[7] 8	10.00	80.00	8	†16.00	160.00	10	†16.00	240.00	15
Iowa	*5.00	[3] 33.33	[3] 6+	9.61	[3] 83.33	[3] 8+	†15.00	[3] [8] 165.00	[3] [8] 11	†15.00	†225.00	†15
Kansas	*5.00	67.00	13+	10.00	160.00	†16	†15.00	†240.00	†16	†15.00	†240.00	†16
Kentucky	[9] *5.00	*80.00	‡16	[9] 7.00	112.00	‡16	[9] 12.00	192.00	‡16	[9] 15.00	240.00	‡16
Louisiana	5.00	50.00	10	13.00	125.00	9+	†18.00	250.00	13+	†18.00	†360.00	†20
Maine	[9] *5.00	56.00	11+	[9] 6.50	104.00	†16	[9] 11.00	176.00	†16	[9] 14.50	232.00	†16
Maryland	*7.00	50.00	7+	13.00	125.00	9+	†17.00	250.00	14+	†17.00	†340.00	†20
Massachusetts	*6.00	60.00	10	11.00	150.00	13+	†15.00	†300.00	†20	†15.00	†300.00	†20
Michigan	Ineligible	Ineligible	Ineligible	12.50	150.00	12	†20.00	250.00	12+	†20.00	375.00	18+
Minnesota	[9] *7.00	*70.00	*10	[9] 12.00	168.00	14	[9] 15.00	240.00	†16	[9] †16.00	†256.00	†16
Mississippi	4.00	56.00	‡14	10.00	140.00	‡14	†15.00	†210.00	‡14	†15.00	†210.00	‡14
Missouri	4.00	[3] 40.00	[3] 10	10.00	[3] 100.00	[3] 10	10.00	[3] 200.00	[3] 12+	†18.00	†288.00	†16
Montana	*5.00	80.00	‡16	10.00	160.00	‡16	†15.00	†240.00	‡16	†15.00	†240.00	‡16
Nebraska	*5.00	*67.00	*13+	10.00	160.00	†16	†15.00	†240.00	†16	†15.00	†240.00	†16
Nevada	*5.00	*67.00	*13+	13.00	167.00	12+	†15.00	†270.00	†18	†15.00	†270.00	†18
New Hampshire	[9] *6.00	*84.00	*14	[9] 8.00	112.00	*14	[9] 13.00	208.00	†16	[9] †15.00	†240.00	†16
New Jersey	*7.00	*42.00	*6	12.00	100.00	8+	†18.00	200.00	11+	†18.00	300.00	16+
New Mexico	4.00	64.00	†16	10.00	160.00	†16	†15.00	†240.00	†16	†15.00	†240.00	‡16
New York	*7.00	140.00	‡20	11.00	220.00	‡20	17.00	310.00	‡20	†18.00	†360.00	‡20
North Carolina	[9] 4.50	72.00	‡16	[9] 7.00	112.00	‡16	[9] 12.00	192.00	‡16	[9] †15.00	†240.00	‡16
North Dakota	*5.00	80.00	‡16	10.00	160.00	‡16	†15.00	†240.00	‡16	†15.00	†240.00	‡16
Ohio	*5.00	90.00	‡18	11.00	198.00	‡18	†16.00	†288.00	‡18	†16.00	†288.00	‡18
Oklahoma	*6.00	67.00	11+	13.00	167.00	12+	†16.00	†256.00	†16	†16.00	†256.00	†16
Oregon	*10.00	*33.33	*3+	†15.00	83.33	5+	†15.00	166.67	11+	†15.00	†240.00	†16
Pennsylvania[10]	*8.00	[2] 32.00	[2] 4	10.00	[2] 70.00	[2] 7	15.00	[2] 150.00	[2] 10	†18.00	216.00	12
Rhode Island	*7.25	48.75	6+	13.00	109.75	8+	†18.00	205.00	11+	†18.00	306.25	17+
South Carolina	*4.00	64.00	‡16	10.00	160.00	‡16	†15.00	†240.00	‡16	†15.00	†240.00	‡16
South Dakota	[9] *7.00	56.00	8	[9] *7.00	98.00	†14	[9] 12.00	168.00	†14	[9] †15.00	†210.00	†14
Tennessee	*5.00	80.00	‡16	10.00	160.00	‡16	†15.00	†240.00	‡16	†15.00	†240.00	‡16
Texas	[11] *5.00	40.00	8	[11] 9.50	100.00	10+	[11] †15.00	200.00	13+	[11] †15.00	†240.00	†16
Utah	*5.00	100.00	‡20	13.00	260.00	‡20	†20.00	†400.00	‡20	†20.00	†400.00	‡20
Vermont	*5.00	66.67	13+	9.61	144.15	†15	†15.00	†225.00	†15	†15.00	†225.00	†15
Virginia	4.00	48.00	12	10.00	120.00	12	†15.00	†240.00	†16	†15.00	†240.00	†16
Washington	*7.00	*67.00	*9+	12.50	167.00	13+	†15.00	†240.00	†16	†15.00	†240.00	†16
West Virginia	[9] *6.00	96.00	‡16	[9] 8.00	128.00	‡16	[9] 12.50	200.00	‡16	[9] †15.00	†240.00	‡16
Wisconsin	([12])	([12])	([12])	([12])	([12])	([12])	([12])	([12])	([12])	([12])	([12])	([12])
Wyoming	*5.00	49.00	9+	12.50	126.00	10+	†18.00	[8] 238.00	[8] 13	†18.00	†252.00	†14

*Indicates minimum weekly benefit amount, minimum amount of potential benefits, or minimum duration.

†Indicates maximum weekly benefit amount, maximum amount of potential benefits, or maximum duration other than uniform duration.

‡Indicates uniform duration.

[1] Based on laws in effect June 1, 1942, except for Kentucky and Pennsylvania, where amendments enacted prior to June 1 were not effective until July 1.

[2] Base period 8 quarters. If, in preceding 4 quarters, wages (in Florida and Pennsylvania, uncharged wage credits in other States) were equal to wages in 4 quarters specified, maximum potential benefits in a benefit year would be doubled, to maximum specified in State law.

[3] Assumes most favorable distribution of base-period wages in all 4 quarters; concentration in 1 quarter would limit benefits to 4 weeks.

[4] Based on unemployment fund of $40 million or more. The maximum potential benefits, duration, and, in some instances, the weekly benefit amount would be reduced if the balance fell below $40 million, with further reductions if the fund fell to $25 million or less.

[5] Weekly benefit amount may be increased by $1 for each dependent up to 3, and weeks of duration reduced accordingly. Weekly benefit amount including dependent's allowance not to exceed $18.

[6] Duration is based on uncharged wage credits in base period of 5 completed calendar quarters and the quarter in which waiting period was served; therefore duration based on 4 quarters may be understated. See footnote 2.

[7] Assuming $50 in each of 2 quarters other than high quarter; otherwise base-period wages of $250 are required and claimant would be ineligible.

[8] Maximum potential benefits and duration reduced by limitation on wage credits to $300 in Iowa and $360 in Wyoming.

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

[10] Based on unemployment fund greater than 1½ times the highest amount of benefits paid during any 12 consecutive months. When the fund drops below this amount the maximum potential benefits, duration, and maximum weekly benefit amount will be lowered.

[11] Actual benefits are paid for 2-week periods at twice the amounts specified.

[12] Impossible to estimate benefits on the basis of the assumed data, because formula does not utilize either high-quarter or base-year wages for weekly benefit amount or duration.

Even in these 8 States, the benefit formula is so varied that minimum duration varies from 3 and a fraction weeks in Oregon to 16 weeks in Kentucky and minimum potential benefits, from $33.33 in Oregon to $84 in New Hampshire.

In 37 States, claimants with lower base-period earnings than A's would qualify for benefits at the same or lower weekly benefit amounts than those shown in the table. Except in the States with uniform duration, in which A's benefits are at the minimum rate, these other claimants would qualify for lower amounts of potential benefits in a benefit year. In some States, claimants with very low wages in covered employment could qualify for very small amounts of benefits, as follows:

State	Minimum qualifying wages	Weekly benefit amount	Potential benefits	Duration (weeks) of benefits
Alabama	$60	$2	$20.00	10
Louisiana	60	3	15.00	5
Arkansas	65	3	12.00	4
Arizona	70	5	12.00	2+
Iowa	75	5	12.50	2+
Virginia	75	3	15.00	5

An Average Claimant

B is a claimant whose weekly benefit amounts in 50 States (table 1) would cluster around $10, which is slightly below the average payment for total unemployment often reported under State unemployment compensation laws. His high-quarter wages of $250 and base-period wages of $500 would make him eligible under all State unemployment compensation laws. His weekly benefit amount would not be raised or lowered by the minimum or maximum provisions of State laws, though in Oregon the 6-percent formula for weekly benefit amount would give him the maximum amount, $15, and in South Dakota the annual wage schedule gives him the minimum amount. Under the variety of formulas—fractions or percentages of high-quarter wages, schedules of weekly or annual wages—his benefits would vary from $6.50 in Maine to $15 in Oregon. The amount would be $8 or less in 6 States in which the weekly benefit amount is based on annual rather than high-quarter wages. It would be $9 but less than $10 in 3 States; $10 in 20 States; $11 in 6 States; $12 or $12.50 in 6 States; and $13 or more in 9 States.

Claimant B's maximum total benefits would vary from $70 in Pennsylvania to $260 in Utah. In 7 States (including 5 with base periods longer than 4 quarters), B would draw less than $100; in 18 States, $100 but less than $150; in 20 States, $150 but less than $200; and in California, the District of Columbia, Hawaii, New York, and Utah, $200 or more. The total amount of his benefits would be reduced by the limitation on maximum weeks of benefits in 7 States which allow $1 of benefits for each $3 of wage credits; in 5 of these States, however, benefits would be reduced merely to $160 (16 weeks at $10).

In number of weeks of benefits for total unemployment, claimant B's maximum potential benefits would vary from 5 and a fraction weeks in Oregon to 20 in Hawaii, New York, and Utah. He could receive the maximum of 13 to 19 weeks in 10 States with variable duration, compared with claimant A, who could draw the maximum in only 3 States. In Michigan, however, he would receive the minimum potential duration of 12 weeks (30 percent of $500 at $12.50 per week) and in New Hampshire, the minimum of 14 weeks provided for all claimants with weekly benefit amounts of $8 or less.

His potential duration would be less than 9 weeks in 8 States, including 7 of the States with total maximum benefits under $100; 9 but less than 13 weeks in 12 States; and 13 weeks or more in the other 30 States. In most States, B's potential duration would be equal to or greater than A's. However, the rounding of weekly benefit amounts would result in a slight decrease in the number of weeks of benefits for total unemployment available for B, as compared with A, in Alaska, Louisiana, and Nevada.

A Claimant With Wages Above Average

Claimant C is a worker with a higher wage rate and steadier employment than A or B. His high-quarter wages are $400 and his base-period wages, $1,000, or more than the average wage of workers with wage credits in all States but three in 1939.[8] Naturally his benefit rights are much more affected than are A's and B's by the provisions of the State laws which establish maximum weekly and annual

[8] New York, Illinois, and Michigan, according to computations based on data in *Employment and Wages of Covered Workers in State Unemployment Compensation Systems, 1939*, Employment Security Memorandum No. 17. Average annual taxable wages of workers with taxable wages under the old-age and survivors insurance program exceeded $1,000 also in Connecticut and Ohio. See the *Social Security Bulletin*, Vol. 5, No. 1 (January 1942), p. 42, table 6.

benefits. However, these laws are so varied that he would be eligible for $11 to $20 per week and for 11 to 20 weeks of benefits, if only the States with a 4-quarter base period are considered.

In 36 States, he would get the maximum statutory weekly benefit amount, varying between $15 and $20. In the other States with maximum weekly benefit amounts varying from $15 to $20, claimant C would qualify for $11 to $17 per week. In 6 of the 7 States with an annual wage formula for determining weekly benefit amount and with maximum weekly benefit amounts of $15 or $16, he would get only $11 to $13 per week. In 26 States, claimant C would get $15 a week—the maximum amount, until recently, in almost all State laws. However, he would get 9 different rates in the 24 other States—less than $15 in 6 States and more than $15 in 18 States.

C would, of course, be eligible for the uniform duration of 14 to 20 weeks in 13 States. In 22 of the States with variable duration, he would also have maximum duration of 14 to 20 weeks. The shortest duration in States with a 4-quarter base period would be 11+ weeks in New Jersey, Oregon, and Rhode Island. In the States with a base period longer than 4 quarters, his potential duration, based on wages in 4 quarters only, would be only 11 to 12½ weeks. The most usual potential duration in all the States would be 16 (or 16 and a fraction) weeks—in 21 States. In another 20 States, claimant C could get benefits for less than 16 weeks—in 8 of them, for less than 12 weeks. In 9 States, his benefits could continue for 18 to 20 weeks.

In dollar amounts, C's $1,000 base-period wages would give him potential benefits varying from $150 in Pennsylvania to $400 in Utah. In the States with base periods of more than 4 quarters, his benefits would vary from $150 to $200. In 4 States which stipulate that wages in excess of $360 or $390 per quarter should be disregarded in computations of maximum potential benefits, C could not utilize all his high-quarter wages, but only in Iowa and Wyoming would his maximum potential benefits be reduced. Considering all the States, C's maximum potential amount of benefits would be less than $200 in 11 States; $200 but less than $250 in 23 States, 13 of these representing 16 weeks at $15 (the maximum amount in 11 of these States); $250 but less than $300 in 9 States; and $300 or more in 7 States.

A High-Wage Claimant

Claimant D, with high-quarter wages of $500 and base-year wages of $1,500, is distinctly above the average for covered workers. He would receive the State's maximum weekly benefit amount in all States except Connecticut, Idaho, Kentucky, and Maine. His weekly benefit amount would vary from $14.50 in Maine to $20 in Hawaii, Michigan, and Utah. He would get $15 in 27 States; $16 in 6 States; $18 in 11 States; and $17 and $19.50 in 1 each.

D would be eligible for maximum duration in all States except California, Connecticut, Indiana, Michigan, New Jersey, Pennsylvania, and Rhode Island; two of these States, Indiana and Pennsylvania, have a longer base period than 1 year. His potential duration would vary from 12 weeks in Pennsylvania to 23 weeks in California. The potential duration would be less than 16 weeks in 10 States; 16 (the original maximum in State unemployment compensation laws) in 24 States; and 16⅔ to 23 weeks in 16 States.

Claimant D's maximum potential benefits would vary from $195 in Delaware (the State maximum) to $414 in California ($54 less than the State maximum). In 4 States with an 8-quarter base period, D's $1,500 wages would give maximum benefits; in Pennsylvania, $72 less than maximum. In all States but Delaware, D could receive $200 or more; in 26 States, $200 but less than $250; in 9 States, $250 but less than $300; in 11 States, $300 but less than $400; and in 3 States, $400 or more. In 10 States, D could not receive the maximum potential benefits under the State law; in Idaho, his total wage credits are adequate but his high-quarter wages would not qualify him for the maximum weekly benefit amount. In 6 States, claimant D would miss maximum benefits by only $60 to $120, but in Connecticut he would have to have earned $1,750 to qualify for the maximum of $360; in Rhode Island, $1,800 to qualify for $364.50; and in California, $2,000 to qualify for $468.

In 22 States D would receive the same benefits as C—the State maximum—but in Indiana, Michigan, and New Jersey he could draw 50 percent more and in 17 States 25 percent but less than 50 percent more.

Interstate Claimants

If any of these claimants worked in covered employment in more than one State during the base period, their benefit rights might be quite different. If A's wage credits of $200 had been earned under two or more State laws, he might qualify for no benefits at all; certainly he could not qualify in any of the 11 States requiring base-period wages of $200 or more. With his $200 divided between two or more States, he might qualify in any one of the 26 States requiring between $100 and $200, or in two or three of the 13 States requiring $100 or less,[9] or in one of each of these groups. If B, C, and D had earned their base-period wages of $500, $1,000, or $1,500 in two or more States, they might be eligible for benefits under two or more State laws and, so long as they remained unemployed, might draw benefits through the interstate benefit-payment procedures. The scattering of wage credits might mean a reduction in weekly benefit amount, but if the States in which these claimants qualified had uniform duration provisions, duration might be considerably extended for these claimants. It is conceivable that high-quarter and base-period wages might be so distributed that a high-wage claimant would qualify for the maximum potential amount of benefits in each of two States—considerably more than he could receive in any one State.

Other Variations in State Laws

Other variations in State laws would introduce still greater variations in the benefit rights of claimants with identical wage records. In the District of Columbia, claimants A and B could receive $1 more per week for each dependent up to three; C and D, with or without dependents, would receive the maximum weekly benefit amount. In Texas, where benefits are payable for benefit periods of 14 consecutive days rather than for 7-day periods, some short periods of unemployment which would be compensable under the weekly system would not be compensable. In Connecticut, all four claimants would have their maximum potential benefits reduced if the funds available for benefits ($67 million at the end of January 1942) fell below $40 million, and B, C, and D would have theirs reduced still more if funds fell to $25 million or less. Claimant C would have three weekly benefit amounts and D two, according to the size of the fund. In Pennsylvania, duration for all claimants would be reduced when the fund is equal to or less than 1½ times the highest amount of benefits paid in any 12 consecutive months. In Maine, the Commission may reduce the uniform duration of 16 weeks by not more than 6 weeks if benefit payments imperil the solvency of the fund. In South Carolina, the Commission may reduce the weekly benefit amount and maximum potential benefits by not more than 25 percent whenever the State's balance in the trust fund falls below $5 million.

All four claimants would receive their first benefit checks for the second week of unemployment in 24 States with a 1-week waiting period and for the third week in 25 States, but in Alabama the first compensable week would be the fourth week of unemployment. If their unemployment was intermittent, an additional waiting period or periods might have to be served during the benefit year in Connecticut, Indiana, Montana, or Texas. If these claimants were reemployed but earned less than their weekly benefit amounts (with an allowance of $2 or $3 in a few States), they would receive benefits for partial unemployment in all States except Montana, New York, and Pennsylvania. However, the conditions and amount of partial benefits are as varied as the amounts of benefits for total unemployment reflected in table 1. An amendment to the New York law effective November 30, 1942, provides for benefits for days of total unemployment in excess of 3 in a calendar week, when 4 such days have been accumulated. This amendment will provide benefits for partial unemployment in terms of reduced days of work but not reduced hours.

If A, B, C, or D were disqualified for leaving work voluntarily without good cause, he would have his benefit rights suspended for a period. In 15 States, he could receive no benefits for a period specified in the State law, varying from the week in which he left and 1 additional week in California up to 6 weeks in New York, or the duration of unemployment in 5 States. In 19 States, the administrative agency would have to determine the extent of his disqualification with the upper limit varying from 5 weeks in 9 States to 15 weeks in Nevada. In 2 States, his benefit rights might be reduced, and in 13 States they

[9] Alabama and Louisiana, $60; Arkansas, $60; Arizona, $70; Iowa and Virginia, $75; Texas, $80; Mississippi and New Mexico, $90; Pennsylvania, $97.50; and Georgia, Kansas, and Rhode Island, $100.

would necessarily be reduced, by the number of weeks of disqualification imposed; in Kentucky and Minnesota, with a maximum duration of 16 weeks, he would lose 2 to 16 weeks of benefits. Equally diverse provisions would determine his benefit rights in the various States if he were disqualified for misconduct, or for refusal of suitable work, or because of a labor dispute—provisions which differ among the States both in definition of the disqualifications and in penalty.

It should be emphasized that the differences in State unemployment compensation laws which have been high-lighted in this analysis are mainly differences in degree, not in basic principles. The States are not experimenting with different theories of unemployment insurance. In general, the present State unemployment compensation laws use the same measure of past employment experience (wages) to determine eligibility for benefits. The various benefit formulas are designed to yield weekly benefits roughly equivalent to half the full-time wage or half the average wage. What differs, and differs greatly from State to State, is the arithmetic of the formula. However, these differences in degree are very significant from the point of view of the claimant.

High and Low Benefit States

It seems entirely clear that, under existing State unemployment compensation laws, identical wages will not give a claimant identical or even similar benefit rights in the various States. Claimant A's weekly benefit amount in Oregon is 250 percent of what he would get in 8 States, principally Southern States. B's weekly benefit amount in Oregon is more than twice what he would get in Maine; and C's weekly benefit amount in Michigan and Utah, almost twice what he would get in Maine. Though D's benefit rates are more nearly equalized by the maximum provisions of the State law, there is a spread of more than one-third between his weekly benefit amount in Maine and in Hawaii, Michigan, and Utah.

Even greater are the disparities in maximum potential benefits. In Hawaii and Utah, claimant A's wage credits would give him three times the maximum benefits he could get in Florida, Iowa, Oregon, or Pennsylvania; D's would give him more than twice as much in California, Hawaii, or Utah as in Delaware.

Some of the disparity of benefits in the States may be associated with differences in wage levels in the States. The minimum benefit amount and the minimum eligibility requirement are typically low in low-wage States. Claimant A is ineligible in three high-wage States. However, in the States where he is a marginal claimant he ordinarily gets higher weekly benefit amounts than in the States where he is above the minimum. His rate is lowest—$4—in Alabama, Arkansas, Indiana, Mississippi, Missouri, New Mexico, South Carolina, and Virginia—typically low-wage States; only in South Carolina is $4 the minimum weekly benefit amount. His higher benefits, $7 or more, in Maryland, Minnesota, New Jersey, New York, Oregon, Pennsylvania, South Dakota, and Washington do not all occur in typically high-wage States.

Maximum weekly benefits and maximum potential benefits are higher than average in many high-wage States, such as California, Connecticut, Illinois, Michigan, New Jersey, and New York. However, maximum weekly benefit amounts of $18 in Georgia and Louisiana compared with $16 in Ohio and $15 in Massachusetts, and maximum potential benefits of $300 in a benefit year in Alabama and of $195 in Delaware, are not in proportion to wage levels. There seems to be little if any relation between economic levels and duration of benefits—uniform or individual and the range, if individual—and duration is important in determining maximum potential benefits. Historical accidents, actuarial caution, and the activities of various pressure groups seem to have affected the liberality of State laws more than the wage level.

In this bewildering variety of benefit rights, certain patterns can be seen in table 1. Some laws, such as those of Utah, Hawaii, and the District of Columbia, give consistently high benefits at different wage levels; the California law gives high benefits at all levels except the lowest. Some laws, especially those using an annual wage formula, give consistently low weekly and annual benefits at all wage levels except the highest,[10] in spite of their uniform or almost uniform duration.

[10] The maximum weekly benefit amount of $16 is payable in Minnesota to claimants with base-year earnings of $1,500 or over; of $15, to claimants with base-year wages of at least $1,250 in West Virginia, $1,300 in New Hampshire and South Dakota, $1,430 in North Carolina, $1,455 in Kentucky, and $1,560 in Maine.

Some laws are liberal in some respects, illiberal in others. For instance, Oregon gives high weekly benefits to claimants A and B, but, with its $15 limit, only average weekly benefits for C and D; for all four claimants it gives short duration. New York's new law, with uniform duration and a high minimum, is the most liberal for claimant A, but does not do as well for D as California, Hawaii, Michigan, or Utah. Connecticut and Rhode Island, with their variable duration and relatively high maximum weekly benefit amounts, allow meager benefits to claimants A and B but are liberal to claimants C and D and others with even better wage records.

Obviously, claimants A, B, C, and D represent different proportions of all claimants in the different States, and the significance of different parts of the benefit formula varies accordingly, from State to State. Yet all parts of the benefit formula are important in determining the liberality of benefits at each wage level, especially in their interrelation. So long as State unemployment compensation laws differ in the fractions of wages available as weekly or annual benefits, in minimum and maximum weekly benefit amounts, in methods of rounding, and in uniform and maximum duration, there will be disparity in benefits available under the State laws for claimants with identical wage records.