

Unemployment insurance laws: changes enacted during 1981

All States tightened work requirements; most adopted a variety of options to the pension offset provision, and a few imposed a 1-week waiting period

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All States enacted legislation last year tightening eligibility for extended unemployment insurance benefits, in accordance with the Federal Budget Reconciliation Act of 1980. "Suitable work" requirements were added, and workers filing an interstate claim no longer are eligible for more than 2 weeks of extended benefits if an extended benefit period is not in effect for the week in the State where the claim is filed.

Sixteen States enacted a compensable waiting week requirement for regular unemployment insurance claims so they can be reimbursed for 50 percent of the Federal share of the first week of extended benefits payable to an individual.¹

Most States have changed their pension offset provision to reflect the variety of options available under the Federal law. Variations are as follows: 26 States offset a pension only if the pension or retired pay, annuity or similar periodic payment is under a plan maintained (or contributed to) by a base period or chargeable employer;² 21 States permit benefits to be reduced on less than a dollar-for-dollar basis by taking into consideration the amount of contributions made by the individual for the pension;³ 15 States disregard pension payments if the

base-period employment did not affect eligibility for or increase the amount of the pension;⁴ however, excluded from this exemption are pensions paid under the Social Security Act and the Railroad Retirement Act.

The following is a summary of some significant changes in State unemployment insurance laws during 1981.

Arizona

Benefits. Established a permanent voluntary work-sharing program, if it is agreed to by the employer and union and approved by the State agency.

Coverage. The exclusion from coverage of aliens performing agricultural labor will continue until their status changes under the Federal law.

Disqualification. The disqualification for misconduct was changed from a flat period beginning with the week following the filing of a claim plus 10 weeks with benefits reduced by eight times the weekly benefit amount to a duration disqualification and until the individual earns five times the weekly benefit amount.

Administration. The time period for appealing an appeals board decision to the court of appeals was decreased from 35 to 30 days.

Arkansas

Benefits. The qualifying wages were changed from 30 times the weekly benefit amount earned in two quarters of the base period to 30 times high-quarter wages divided by 26 and earn-

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ings in two quarters. An individual's weekly benefit amount will be computed as 1/52 of his or her total wages for insured work in the two highest quarters of the base period and, beginning January 1, 1984, the computation will be 1/26 of total wages during the high-quarter of the base period. From July 1, 1981, to January 1, 1984, the minimum weekly benefit amount will be increased from \$15 to \$31 and the maximum weekly benefit amount will be frozen at \$136. From January 1, 1984, through June 30, 1984, the maximum weekly benefit amount will be determined as 66-2/3 percent of the State average weekly wage for insured employment during 1982 and the minimum weekly benefit amount will be determined as 15 percent of the statewide average weekly wage during 1982. A temporary requalification requirement was added until December 31, 1983, providing that an individual may not requalify for benefits in a second benefit year unless he or she has wages of at least 30 times the weekly benefit amount and wages in at least two quarters of the base period and, subsequent to filing the claim establishing his or her previous benefit year, has been paid wages equal to 10 (formerly 6) times his weekly benefit amount.

Disqualification. Until December 31, 1983, the maximum potential benefits of an individual who is disqualified because of misconduct in connection with work or for failure to apply for or accept suitable work, will be reduced by an amount equal to eight times the weekly benefit amount, but benefit duration may not be reduced to less than 1 week. Also, until January 1, 1984, an individual who voluntarily left a base-period employer without good cause will have the base-period wages paid by that employer reduced by 25 percent. The weekly benefit amount, maximum benefit amount, and potential duration of benefits will be determined accordingly, but the maximum benefit entitlement may not be reduced to less than the weekly benefit amount. In addition to the 14 weeks of disqualification which apply to an individual who makes a false statement or misrepresentation, a disqualification of 3 weeks (formerly 2) will be imposed for each week of falsification.

Financing. The taxable wage base for 1982 and 1983 was increased from \$6,000 to \$6,900 and for 1984 and the following years, reduced to \$6,000. The level of the stabilization tax will depend on the solvency of the fund and may range from 0.1 to 0.5 percent. The range of rates for positive-balance employers will be 0.7 to 3.3 percent and negative-balance employer rates will be 5.5 percent for 1982 and 6.0 percent for 1983 and subsequent years. The prohibition against charging an employer for benefits paid when the base-period wage credits represent regular part-time employment and the claimant continues in that employment during the period for which benefits are paid was repealed.

Administration. The period in which an overpayment may be recovered or deducted from future benefits was increased from 1 to 2 years. A judicial review of unemployment compensation cases will now be taken to the court of appeals rather than the circuit court.

Colorado

Coverage. An individual in the employ of a corporation of which he or she is the majority or controlling shareholder and an officer is excluded from coverage.

Disqualification. A Head Start program that is not a part of a school administered by a board of education is excluded from the definition of "educational institution" for purposes of applying the between-terms denial because the Head Start em-

ployees are not subject to the same employment conditions as other employees of the school. An individual's weekly benefit amount will not be reduced if he or she is receiving military service-connected disability benefits paid by the Veterans' Administration, but will be reduced because of receiving a military disability retirement pension based on the previous work of the individual.

Penalties. The penalty for fraud was amended to require an individual who received benefits through fraudulent misrepresentation to repay 1½ times the benefits received. Formerly, an individual was required to repay only the weekly benefit amount he received.

Financing. Benefits paid that will be charged against the fund and not against an employer's account will also include combined wage claims in which Colorado wages are transferred to another State. Also, benefits may be noncharged if an individual was disqualified for voluntary leaving and misconduct.

Administration. The local Government Advisory Council was abolished.

Connecticut

Disqualification. Conduct constituting larceny in the third degree was added to the definition of misconduct.

Financing. If the administrator finds that an individual's most recent separation from a base-period employer results in disqualification for leaving work to study or voluntary retirement, benefits will not be charged, provided the employer filed a notice for appeal.

Administration. The name of the appeals division was changed from the Unemployment Commission to the Employment Security Appeals Division and the second-stage appeal body was changed from a commission to a board. The Rural Manpower Services Advisory Council was abolished.

Delaware

Benefits. Dismissal payments which the employing unit is not legally required to make and holiday pay were included in the definition of wages. The computation of the weekly benefit amount was changed from 1/26 of total wages during the high quarter to 1/104 of the individual's total wages during the base period. The change in the computation of the maximum weekly benefit amount from 63 to 66-2/3 percent of the State average weekly wage was delayed from 1981 to 1983. The seasonal provisions of the law were deleted.

Financing. The contribution rate was increased from 5 to 7 percent and no employer's basic assessment rate will be less than 6.3 percent (formerly 2.7) unless all previous assessments have been paid.

Florida

Benefits. The maximum weekly benefit amount was increased from \$105 to \$125.

Disqualification. An individual will be disqualified for any week the unemployment is because of a suspension for misconduct connected with work or is because of a leave of absence, if the leave was voluntarily initiated by the individual.

Administration. The Advisory Council was extended until October 1, 1987, and the members of the council shall be

appointed by the Secretary of the Department of Labor and Employment Security (formerly appointed by division).

Georgia

Benefits. The maximum weekly benefit amount was increased from \$90 to \$115. The seasonal provisions of the law were deleted.

Coverage. The exclusion of services performed by participants in Comprehensive Employment and Training Act/Public Service Employment programs will not apply if the State's unemployment fund is reimbursed for benefits paid from Federal funds provided for that purpose. The exclusion from coverage of aliens performing agricultural labor was extended to January 1, 1982.

Disqualification. The requalifying requirement was amended for purging a disqualification for voluntary leaving and refusal of "suitable work" to require that the wages earned must be in insured work. A duration disqualification for specific misconduct discharges was added, with requalification earnings of eight times the weekly benefit amount in bona fide work. The duration disqualification will apply if the individual was discharged for intentional conduct which resulted in physical assault, bodily injury, or property loss or damage amounting to \$2,000, theft, sabotage, embezzlement, or falsification of an employer's records.

Administration. The members of an appeals tribunal were changed from referees to administrative hearing officers and the administration of the first level of appeal was transferred from the Board of Review to the commissioner.

Illinois

Benefits. The minimum base-period qualifying wages were increased from \$1,400 to \$1,600 and the amount that must be earned outside the high quarter was increased from \$385 to \$440. The base period was changed from the four calendar quarters ending 4 to 7 months before the beginning of the benefit year to the first four of the last five completed calendar quarters immediately preceding the benefit year.

Disqualification. Good cause for voluntary leaving must be for reasons attributable to the employing unit. However, the voluntary leaving disqualification will not apply if an individual is physically unable to work or leaves work to care for a spouse, child, or parent who is in poor physical health; leaves work to accept other work that he performs for at least 2 weeks or that pays him at least twice his weekly benefit amount; leaves work rather than accept a transfer that would cause another employee to be bumped; leaves work because of sexual harassment by another employee with the employer's knowledge; or leaves work that would be deemed unsuitable. The requirement for purging disqualifications for the three major causes was changed from an alternative of weeks of work and earnings or weeks of otherwise compensable unemployment to a requirement that the individual have earnings in covered employment of not less than his current weekly benefit amount in each of 4 calendar weeks. Also, an individual cannot be disqualified for refusing to apply for or accept work if the position offered by an employing unit is a transfer to other work and the acceptance would separate an individual currently performing the work. The recoupment period following a finding of eligibility during which benefits were erroneously paid was extended from 1 to 3 years.

Financing. The taxable wage base was increased from \$6,500 to \$7,000. An employer's account will be relieved from charges for voluntary quit if the claimant left work, took another job, held it long enough to earn six times the weekly benefit amount, and then was separated from the new work. Also noncharged are benefits paid if an employer continues to employ the claimant in part-time work to the same extent as in the base period. The contribution rate for employers paying total quarterly wages less than \$50,000 was limited to a maximum of 2.7 percent of wages paid; and for any calendar year in which emergency contribution rates are in effect, the maximum contribution rate for employers paying quarterly wages less than \$50,000 will be 3.1 percent of insured quarterly wages. The emergency contribution rate for an employer whose regular contribution rate is two-tenths of 1 percent or higher will be the sum of the regular rate plus four-tenths of 1 percent. The rates for the most and least favorable schedules were increased from the current range of 0.1 to 5.0 percent to 0.2 to 5.3 percent.

Administration. The period for appealing either a claims adjudicator or referee decision was extended from 14 to 30 days.

Indiana

Coverage. Individuals performing services in a work-relief or work-training program will be excluded from coverage.

Disqualification. The pension offset provision was amended to add that Old Age, Survivors Insurance benefits will be considered payments under a plan of an employer maintained or contributed to by a chargeable employer. The disqualification for failure to apply for or to accept suitable work under the regular program was changed from the week of failure or refusal and until the individual earned eight times the weekly benefit amount to the week of failure or refusal and until the individual earns wages equal to his or her weekly benefit amount in each of 4 weeks.

Iowa

Financing. A reimbursing employer will not have benefits charged when the reimbursing employer is a base-period employer and continues to provide the same employment to the individual during the benefit year as during the base period. The period of chargeability required to qualify for a computed rate was increased from 2 to 5 years. However, the 2-year chargeability requirement is retained for an employer with a negative percentage of excess whose account has been charged for more than 26 times the maximum weekly benefit amount for an individual with four dependents or more. An additional surcharge of 0.5 percent was added for employers who have a negative balance for two consecutive rate computation dates and a cumulative 0.5-percent surcharge is now added for each successive year of negative balance, but the surcharge may not exceed 3 percent of taxable wages.

Louisiana

Disqualification. The disqualification applied for voluntary leaving and misconduct discharges will be assessed for separations from any base-period or subsequent employer. Also, an individual who has been disqualified for voluntary leaving or misconduct will requalify after he has been paid wages equal to at least 10 times the weekly benefit amount subsequent to a claim for a compensable week for unemployment benefits, rather than subsequent to the week in which the disqualifying act occurred as was previously provided.

Financing. The rated governmental employer provisions providing a special financing option for political subdivisions was deleted. Nonprofit organizations and political subdivisions which make payments in lieu of contributions will not be charged for benefits paid because of prompt payment or administrative error if the claimant was not entitled to the benefits. In addition, the Louisiana law provides for not charging a reimbursing employer for benefits paid to an individual who continues to remain in the employ of a base-period employer with no reduction in the number of hours worked or wages paid.

Maine

Disqualification. Total or partial weekly benefit amounts will be reduced by the amount of holiday pay an individual has or is entitled to receive for that week. For nonfraudulent overpayments, no more than 10 percent can be withheld weekly from a claimant's unemployment benefit amount.

Financing. The contribution rate computation date was changed from December 31 to June 30 of each calendar year and the effective date of the contribution rate from July 1 to January 1 of each calendar year. A successor employer's contribution rate from the date of acquisition to the end of the current rate period will be the rate determined immediately prior to acquisition. A newly computed rate for the successor will be determined by combining the experience of the predecessor and successor as of the regular computation date (formerly, the rate period in which the acquisition took place) for subsequent contribution rate periods.

Administration. An appeal from a determination may be extended an additional 15 days for good cause.

Maryland

Benefits. The maximum weekly benefit amount was increased from \$120 to \$140 and the step-down provision was changed from three to six lower divisions on the benefit schedule.

Eligibility. A valid circumstance for voluntary leaving is specified as only a substantial cause which is directly attributable to, arising from, or connected with the conditions of employment or actions of the employer, or another cause of necessary or compelling nature such that the individual had no reasonable alternative other than to leave the employment. Also, an individual who resigns because of poor health or to care for an ailing relative must furnish a written statement by a physician or hospital or other documentary evidence of the health problem. The time limit for recoupment of overpaid benefits will be 3 years from the date benefits were paid, and after 5 years any amount not recouped may be deemed uncollectible.

Financing. The rate for newly covered employers is the higher of 1.0 percent or State's 5-year benefit-cost ratio, or the contribution rate which applies to employers with a benefit ratio of .0000, not to exceed 2.8 percent (formerly 2.7).

Michigan

Benefits. For a temporary period of March 1, 1981, to April 1, 1983, the following changes will apply: the number of "credit weeks" needed to establish a benefit year increased from 14 to 18 and the definition of "credit week" was changed from \$25 or more to one in which the claimant earned wages equal to at least 20 times the State's minimum hourly wage. Also, the weekly benefit amount will be computed at 70 percent of an individual's after-tax weekly wage, up

to 58 percent of the State's average weekly wage.

Disqualification. The waiver of the work search requirement for claimants enrolled in and attending classes as a full-time student has been suspended until April 3, 1983. A special disqualification provision for voluntary leaving and misconduct discharges has been established to apply after March 1, 1981, and before April 1, 1983, and requires requalifying earnings of the lesser of 7 times the weekly benefit amount or 40 times the State's minimum hourly wage times 7, and the reduction in an individual's total entitlement will not apply during this period.

Administration. The agency may waive recovery of improperly paid benefits if the payment was not the fault of the individual and if repayment would be contrary to equity and good conscience.

Mississippi

Coverage. Employment for governmental entities and nonprofit organizations will not include services performed as part of a work-relief or work-training program assisted or financed in whole or part by any Federal or State agency or political subdivision, unless coverage of such service is required by Federal law. Also, employment for participants in Comprehensive Employment and Training Act/Public Service Employment programs unless coverage is Federally required.

Montana

Administration. The Division of Employment Security and its bureaus were abolished and their functions will continue in the Department of Labor and Industry.

Nevada

Financing. The proportional charging of benefits was changed to provide that an employer who has paid 75 percent of a claimant's base-period wages will be charged (except those for which a reimbursing employer is liable) with all benefits paid, but the agency may not charge benefits paid after a voluntary quit or a misconduct discharge if employer provides appropriate evidence to the agency. The range of rates for the most favorable schedule was changed from the previous 0.6 to 3.0 percent to 0.3 to 3.6 percent and the maximum rate in the least favorable schedule, from 3.5 to 4.1 percent.

New Hampshire

Benefits. The qualifying wages were increased from \$600 to \$800 in each of two calendar quarters. The minimum weekly benefit amount was increased from \$21 to \$26 (annual earnings of \$1,700) and the maximum weekly benefit amount from \$114 to \$132 (annual earnings of \$16,500).

Coverage. Temporary services performed for a political committee or candidate for election in a primary or general election is excluded from employment except services for the permanent State committee or national committee of any political party.

Disqualification. An individual's benefits will not be reduced if he or she is paid for a State legal holiday or for any full day which management observes as a holiday with a general closing of business, provided the number of paid holidays does not exceed the total number of legal holidays in a year.

Administration. The terms of office for advisory council members were changed from 1 to 3 years. A Board of Review was

established for second-stage appeals (formerly, New Hampshire provided for only one administrative appeal which was the first-stage appeals body) with a 15-day appeal period of the first-stage appeals body decision. Also, the judicial review appeal body was changed from the Superior Court of the county where the claim was filed to the State Supreme Court.

Penalties. The penalty for fraudulent misrepresentation was changed from a fine of not less than \$20 nor more than \$200 or imprisonment of not more than 1 year, or both, to a misdemeanor.

New Mexico

Disqualification. Extends a denial of benefits to any school employee for any week during a period of paid sabbatical leave provided in the individual's contract, and during an established and customary vacation period or holiday recess if the individual performs such services before sabbatical leave, vacation, or holiday recess and there is a reasonable assurance that he or she will perform the services following the sabbatical leave, vacation, or holiday recess. The period of disqualification for failure without good cause to accept work when offered or to apply for available suitable work when directed or referred by the agency was changed from 1 to 13 weeks following the week of failure to a duration disqualification and until the claimant earns at least five times the weekly benefit amount.

New York

Disqualification. The voluntary leaving disqualification will not apply if an individual under a collective bargaining agreement or written employer plan exercises his option to be separated with the employer's consent for a temporary period when there is a temporary layoff because of lack of work. An individual who is otherwise eligible for benefits will not be deemed unavailable solely because he is serving on a grand or petit jury.

North Carolina

Benefits. The qualifying requirements were changed from base-period wages of at least \$565.50 and high-quarter wages of not less than \$150 to base-period wages of at least six times the State's average weekly insured wage and 1½ times the high-quarter wages and the high-quarter wages must equal 1½ times the State's average weekly insured wage. The weekly benefit amount payable to a partially unemployed individual must equal the difference between the weekly benefit amount and that part of the wages paid in excess of 10 percent (previously one-half of the weekly benefit amount) of the average weekly wage in the high quarter of the base period.

Coverage. Services performed by an individual on a fishing boat are exempted if the individual is working under an arrangement with the boat owner or operator which provides no cash other than a share of the boat's catch or a share of the proceeds from the sale of the catch. However, the exemption applies only if the boat's operating crew is made up of fewer than 10 individuals and the exclusion will not apply if a Federal unemployment tax is assessed on the service.

Disqualification. Benefits are denied between two successive academic years or during a similar period between two regular terms based on services performed for secondary schools on a part-time or substitute basis.

Financing. An employer who employs a claimant part time in the base period and continues to give substantial equal part-

time employment is not charged for benefits. A contributing nonprofit employer that elects to change to a reimbursement basis may be relieved of the requirement to pay a quarterly 1.0-percent tax under certain conditions.

North Dakota

Disqualification. The definition of suitable work was changed so that, after an individual has received 18 weeks of benefits, suitable work will be any work that pays wages equal to the maximum weekly benefit amount, provided that consideration is given to the degree of risk involved to the individual's health, safety, morals, physical fitness, and the distance of the work from his residence. The labor dispute disqualification was changed from any week in which the claimant's unemployment is because of a work stoppage to any week in which the unemployment is because of a strike, sympathy strike, or a claimant's work stoppage dispute of any kind. The requalifying requirement after disqualification for voluntary leaving was changed to require claimants to earn wages in employment equal to eight times the weekly benefit amount instead of five times the weekly benefit amount. The voluntary leaving disqualification will not apply if an individual accepted work which could have been refused with good cause and terminated the employment with the same good cause within the first 10 weeks after starting work.

Financing. The computation date for determining the rate of contributions was changed from December 31 to September 30 and the maximum tax rate is limited to 5 percent. Employers ineligible for an experience-rated computation will pay contributions at a rate equal to the average industry tax rate but not less than 1 percent, except for those in industries where the average tax rate exceeds 3 percent, who will pay at the standard rate.

Oklahoma

Disqualification. Educational institutions operated by the Department of Human Services are excluded, if not inconsistent with Federal law, from the nonprofessional between-terms denial. An individual will not be denied benefits for voluntary leaving if the claimant exercises his option of accepting a layoff pursuant to a union contract or an established employer plan. Recovery of nonfraudulent overpayments continues into the next subsequent benefit year that begins within 1 year of the expiration of the current benefit year.

Oregon

Benefits. The qualifying requirement was increased from 18 weeks of work with an average of \$20 per week and total base-period wages of \$700 to 18 weeks of work and total base-period wages of \$1,000. The computation of the maximum weekly benefit amount was changed from 55 to 58 percent of the State average weekly wage beginning October 4, 1981, and will be increased to 60 percent beginning July 4, 1982, and 64 percent beginning July 4, 1983.

Disqualification. Oregon now provides for a denial of benefits to professional and nonprofessional employees of educational service districts between school terms and during customary vacation periods or holiday recesses. An individual's performance of voluntary services for a charitable organization or governmental entity, without pay, will not prevent that individual from being considered unemployed. The requalifying conditions for benefits after a disqualification were modified by adding that an individual must perform service in employ-

ment subject to Oregon law or as an employee of an employing unit in Oregon or any other State or Canada or as a Federal employee. The disqualification for voluntary leaving because of marital obligations, to be married, or to accompany a spouse was deleted. Also, Oregon deleted the alternative requirement that a disqualification for voluntary leaving, misconduct, or refusal of work may be satisfied if claimant has in 8 weeks registered for work, been able to and available for work, actively seeking work, and unable to obtain suitable work. An individual disqualified for voluntary leaving, discharge for misconduct, or refusal of suitable work will have his benefit rights reduced by eight times his weekly benefit amount but not less than the weekly benefit amount unless he or she has previously received benefits during the benefit year.

Financing. The minimum tax rate under the most favorable schedule was decreased from 1.2 to 0.9 percent and under the least favorable schedule from 2.6 to 2.2 percent.

Administration. The time limit for appealing a referee decision to the Employment Appeals Board was increased from 10 to 20 days.

South Carolina

Coverage. Services performed by an individual in a work-relief or work-training program are excluded unless the Federal law mandates the coverage.

Benefits. The seasonal employment provisions of the law were repealed.

Administration. The time for reconsideration of an initial determination was increased from 7 to 10 days.

South Dakota

Benefits. The computation of the weekly benefit amount was changed from 1/22 to 1/26 of high-quarter wages and the qualifying requirement was increased from base-period wages in other than high quarter of at least 20 times the weekly benefit amount and high-quarter wages of \$600 to base-period wages in other than the high quarter of at least 30 times the weekly benefit amount and high-quarter wages of \$728.

Disqualification. The pension offset provision was amended to require an individual's weekly benefit amount to be reduced by the entire prorated amount of any pension, annuity, or retirement payment including disability pension payments based on the individual's previous work. Military service-connected disability payments are exempted from the offset. South Dakota now provides that it is good cause for voluntary leaving if an individual accepted employment while on layoff and subsequently quit to return to work for his regular employer.

Financing. All employer contribution rates were increased by 0.4 percent. However, the rate increase may not be credited to the employer's experience-rating account. The fund balance required for determining the range of rates was changed for the least favorable rate schedule from \$5 million to \$5.5 million. An employer's experience-rating account may not be charged for benefits paid to individuals based on total base-period wages of less than \$100 earned from one employer.

Administration. The Secretary may waive or cancel recovery of an overpayment if the claimant has been duly discharged by a Federal bankruptcy court, the claimant died, or if the overpayment has been outstanding for 10 years or more.

Tennessee

Benefits. The earnings disregarded for computing partial benefits were increased from \$20 to \$30.

Disqualification. An individual who receives regular wages for a vacation period under terms of a labor-management agreement will have his weekly benefit amount reduced by the amount of the wages received, but only if work will be available for the individual with the employer at the end of the vacation period.

Texas

Disqualification. The disqualifications for voluntary leaving, misconduct, and refusal of suitable work were changed from a variable period of from 1 to 25 weeks (1 to 13 for suitable work) to a duration disqualification and until the individual requalifies by working 6 weeks or earning wages equal to six times the weekly benefit amount. Also, an individual who voluntarily leaves work to move with a spouse from the area where they worked will be disqualified from 6 to 26 weeks. An individual will be disqualified for voluntarily leaving work if he or she left because of a medically verified illness, injury, disability, or pregnancy, even though still available for work. However, an individual will not be disqualified whose work-related reason for separation was urgent, compelling, and of a necessitous nature. Texas repealed the requirement that benefits must be reduced by an amount equal to the number of weeks of postponed benefits for voluntary leaving, discharge for misconduct, or refusal of suitable work. Misconduct is defined to include any action that places others in danger or an intentional violation of employer policy or law, but does not include an act that responds to an unconscionable act of the employer.

Vermont

Benefits. The definition of "wages" was redefined, for purposes of determining whether an individual is partially unemployed, to include that part of one's weekly remuneration which is in excess of \$15 for the individual plus \$3 for each dependent, rather than the amount in excess of \$10, as previously defined.

Disqualification. Any individual who was fired because of inability to perform the job because of a felony or misdemeanor conviction will be disqualified for benefits. Also, Vermont now disqualifies any individual who, during a job interview, made false statements, showed an unreasonable lack of interest, or whose behavior was calculated to preclude an offer of work. However, no individual will suffer more than one disqualification for any one disqualifying act. Holiday pay, backpay awards, and compensation for temporary total disability were included as disqualifying income.

Administration. The name of the State agency was changed from the Department of Employment Security to the Department of Employment and Training.

Virgin Islands

Coverage. Services performed under the Comprehensive Employment and Training Act (CETA) will be excluded unless required by Federal law.

Disqualification. A denial of benefits was extended to nonprofessional school employees during a period between 2 successive academic years and to any school employee for any week during an established or customary vacation period or holiday

recess if the individual performs the services in the first of such academic years or terms or immediately before such vacation or holiday recess and there is a reasonable assurance that the individual will perform the services in the second of such academic years or terms and also immediately following a vacation or holiday recess. An individual will be disqualified if he did not make reasonable efforts to seek work on his own initiative. The disqualifications for voluntary leaving, misconduct (including disciplinary suspensions), and refusal of suitable work were changed from a 6-week disqualification or for the period of unemployment immediately following separation, whichever ends sooner, to a duration disqualification which continues until the individual has been employed at least 4 weeks and earns at least four times his weekly benefit amount. Also, the labor dispute disqualification was changed from any week in which an individual's unemployment is caused by a stoppage of work because of a labor dispute to a labor dispute in active progress. The disqualification for fraudulent misrepresentation was changed from the week of determination plus 52 weeks to the week the determination is mailed or delivered plus 51 weeks.

Financing. The taxable wage base was increased from \$6,000 to \$8,000.

Virginia

Benefits. The maximum weekly benefit amount was increased from \$122 to \$138 and the minimum from \$38 to \$44 and an individual's weekly benefit amount will be determined on the wages earned in the highest two quarters (previously one) in the base period. The amount of base-period wages needed to qualify for benefits was increased from \$1,368 to \$2,200. The 1-week waiting period was repealed.

Coverage. Services performed by an individual as a public service employee under CETA and as a temporary employee of the General Assembly were excluded from coverage. However, Virginia included services performed in agricultural labor by aliens admitted to the United States to perform such labor.

Disqualification. If the Federal Unemployment Tax Act is amended to include nonprofessional employees of institutions of higher education in the between-terms denial provisions of the law, the denial will become simultaneously effective under the Virginia law.

Financing. Benefits paid to claimants during the appeals process in a disputed claim will be charged to the nonprofit organization or governmental entity even though the claimant may be found totally or partially ineligible for benefits. The maximum basic experience rate was increased from 4.5 to 6.2 percent and the rate for newly subject employers was increased from 2.0 to 2.5 percent. The formula for determining experience rating changed from a benefit-wage ratio, which measures the relative experience of employers by the separation of workers which result in benefit payments, to a benefit ratio which is determined as a percentage obtained by dividing the employer's benefit charges for the preceding fiscal year by the total payroll for the same period. An unspecified poll cost charge and a fund-building rate of 0.2 percent will be added if the fund balance factor is 50 percent or less for a year.

Administration. The statutory limitation within which a disqualification for fraudulent misrepresentation may be im-

posed was changed from 2 to 3 years and the provision deleted which limits the ineligibility of a claimant for benefits for up to 5 years for fraud if the benefits are not repaid. Also, the commission may determine as uncollectible or purge any unpaid benefit overpayment upon the death of the person or upon the individual's discharge in bankruptcy occurring after the determination of overpayment.

Washington

Coverage. Excludes, at the discretion of the employer, services performed by corporate officers.

Disqualification. A disqualification for voluntary leaving will continue if the work obtained to purge the disqualification is a mere sham to qualify for benefits and not bona fide work. In determining whether the work is bona fide, factors to be considered include the duration of work, the extent of direction and control by the employer over the work, and the level of skill required for the work in light of the individual's training and experience.

West Virginia

Benefits. An individual will be considered partially unemployed if he or she has weekly earnings of at least \$26 and, if less than \$26, a person will be considered totally unemployed. Formerly, an individual was considered partially unemployed if the weekly wages were less than the weekly benefit amount plus \$25. A partially unemployed individual must serve a 1-week waiting period.

Disqualification. The disqualification for voluntary leaving was changed from a 6-week disqualification with an equal reduction in maximum benefits to a duration disqualification or until the individual returns to covered employment and has been employed for at least 30 working days. West Virginia added to the disqualification for refusal of suitable work that the total benefit entitlement will be reduced by an amount equal to four times the individual's weekly benefit amount. The definition of gross misconduct was amended to add that it shall include but not be limited to any act of misconduct where the individual has received prior written warnings that termination of employment may result from that act. The disqualification for fraudulent misrepresentation to obtain benefits was changed from a variable 5 to 52 weeks to a flat 52 weeks. Deleted was the requirement that for each week of disqualification for fraudulent misrepresentation, an additional 5-week disqualification would be imposed.

Penalties. The fine for fraud, upon conviction, was increased from not less than \$20 or more than \$50 to not less than \$100 or more than \$500 or by imprisonment for not longer than 30 days or both.

Financing. The taxable wage base was increased from \$6,000 to \$8,000. A newly covered employer's tax rate will be 2.7 percent, except that out-of-State corporations or business entities in the construction trades will pay 7.5 percent. The tax rate of employers who do not have 36 months of chargeability was increased from 1.5 to 2.7 percent. Benefits paid to an individual who voluntarily leaves work without good cause involving fault on the part of the employer will no longer be noncharged. The fund requirement for the most favorable schedule was changed from \$110 million to 150 percent of average benefit payments for the 3 preceding calendar years with the rates ranging from 0 to 7.5 percent and the fund require-

ment for the least favorable schedule from \$60 million to 100 percent of average benefit payments for the 3 preceding years with the rates ranging from 1.5 to 7.5 percent. A 1-percent surtax will be added to each employer's rate until the trust fund assets equal or exceed the average benefit payments from the fund for 3 preceding years. Partial benefits paid to an individual will be charged to the account of the last employer for whom he worked 30 working days.

Administration. The first-stage appeals body was changed

from an examiner to an administrative law judge.

Wisconsin

Disqualification. The disqualification for voluntary leaving will not apply if the individual left or lost employment because he or she reached the firm's compulsory retirement age.

Wyoming

Financing. The new employer bonding requirements applicable to new contributing employers were repealed.

— FOOTNOTES —

¹ Alaska, Arizona, Hawaii, Idaho, Illinois, Maine, Mississippi, Nebraska, New Mexico, North Dakota, Oregon, Puerto Rico, Rhode Island, Tennessee, Vermont, and West Virginia.

² Alaska, Arizona, California, Colorado, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Maine, Maryland, Michigan, Montana, Nevada, New Mexico, New York, North Carolina, North Dakota, Oregon, South Carolina, Tennessee, Vermont, Washington, West Virginia, and Wisconsin.

³ Alaska, California, Connecticut, Florida, Georgia, Hawaii, Illinois, Iowa, Maine, Maryland, Michigan, Montana, Nevada, New Mexico, New York, North Dakota, South Carolina, Tennessee, Vermont, Washington, and Wisconsin.

⁴ Alaska, Arizona, California, Connecticut, Georgia, Hawaii, Iowa, Maine, Montana, Nevada, New York, Tennessee, Vermont, Washington, and Wisconsin.

A note on communications

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.
