

Claimant Impact

Scenario: An Administrative Assistant earning \$13.00/hour is laid off. The individual is eligible for \$300/week in Unemployment Insurance. While collecting Unemployment Insurance the claimant works part-time at a local hardware store for 20 hours/week at \$13.00/hour. Under the current 30% disregard method these earnings would reduce the claimant's unemployment compensation to \$118/week, for a total weekly income of \$378.00/week. The proposed 50% disregard would allow the claimant to retain 50% of their weekly earnings thereby only reducing the unemployment compensation to \$170/week, for a total weekly income of \$430/week. The new 50% disregard method results in a net increase to the employers unemployment contributions on behalf of this claimant of approximately \$500 over the previous 30% method.

Assumptions:

20 hours @ \$13.00/hour = Total Earnings \$260

WBA \$300

	<u>Wages</u>	<u>UI</u>	<u>Total Income</u>	<u>Amount if</u> <u>fulltime</u>	
30% of Gross Wages	\$ 260.00	\$ 118.00	\$ 378.00	\$ 520.00	*Current Disregard
50% of Gross Wages	\$ 260.00	\$ 170.00	\$ 430.00	\$ 520.00	*Increases Net Income By \$52

Scenario: A Manufacturing Technician earning \$20.00/hour is laid off. The individual is eligible for \$425/week in Unemployment Insurance. While collecting Unemployment Insurance the claimant works part-time for a local repair shop for 20 hours/week at \$15.00/hour. Under the current 30% disregard method these earnings would reduce the claimant's unemployment compensation to \$215/week, for a total weekly income of \$515.00/week. The proposed 50% disregard would allow the claimant to retain 50% of their weekly earnings thereby only reducing the unemployment compensation to \$275/week, for a total weekly income of \$575/week. The new 50% disregard method results in a net increase to the employers unemployment contributions on behalf of this claimant of approximately \$1,000 over the previous 30% method.

20 hours @ \$15.00/hour = Total Earnings \$300

WBA \$425

	<u>Wages</u>	<u>UI</u>	<u>Total Income</u>	<u>Amount if</u> <u>fulltime</u>	
30% of Gross Wages	\$300	\$ 215.00	\$ 515.00	\$ 600.00	*Current Disregard
50% of Gross Wages	\$300	\$ 275.00	\$ 575.00	\$ 600.00	*Increases Net Income By \$60

The overall intent of the proposed method is to create an incentive for claimants to seek employment while collecting benefits to better align them with the labor market without creating a disincentive to work fulltime.