

ASSOCIATED INDUSTRIES OF VERMONT

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Follow Up on S.10 House Committee on Commerce and Economic Development William Driscoll, Vice President

April 22, 2021

Chairman Marcotte and Committee Members:

I appreciated the opportunity to provide testimony on S.10 yesterday. Following up on that discussion, I'm providing some of the comparative information on UI benefits in Vermont and the 13 states that offer dependent benefits I noted during my testimony.

In reviewing the April 19 information provided by Legislative Counsel on the dependent benefits themselves, it is in line with the information I was using from the USDOL Employment and Training Administration (see link below for a variety of information on state systems) as of July 1, 2020. One clarification/addition to the Legislative Counsel overview is that Maryland, Michigan, and New Jersey do not allow the dependent benefit to increase benefits above the weekly maximum.

As noted yesterday, it is possible to qualify for higher dependent benefits in many of these states than proposed in S.10, but per dependent amounts tend to be relatively low and exceeding the benefit proposed in S.10 would commonly require a number of dependents and/or high wages.

To follow up on the additional comparisons I mentioned in my testimony, I have attached a comparison of the maximum weekly benefit (MWB) calculation, weekly benefit amount (WBA) calculation, one week waiting period, and earnings disregard formula for these states. The information is based on the USDOL ETA benefit information available at the links below, supplemented with data from the Bureau of Labor Statistics as explained below.

As discussed yesterday, the states that have dependent benefits also generally have some combination of either a lower maximum benefit and/or weekly benefit formula, a one week waiting period, or lower earnings disregard than Vermont.

Methodology for Comparisons

With regard to methodology, the earnings disregard and one week waiting period are taken straight from the USDOL ETA information linked below.

The weekly benefit amount is expressed as a percentage of the recipient's average weekly wage (AWW) using the formula for each state found in the links below and assuming 13 full weeks of wages per quarter and no dependents (for example, Vermont's formula is wages in the two highest quarters divided by 45, or 57.8%). Alaska sets benefits based on a table, and the percentages shown are converted from this schedule, which ranges from a maximum of \$370 for an annual wage of \$42,000 or more down to \$56 for an annual wage of at least \$2500. This schedule is linked below.

For the maximum weekly benefit calculation, Vermont statute set the maximum at 57% of the state's average weekly wage (SAWW) when tax Schedule III was in place, and it is adjusted as the state average weekly wage changes as long as the state is not borrowing to fund UI. All but four of the other states listed set their maximum as a percentage of their state average weekly wage, which is taken from the USDOL ETA sources below.

For the four states that do not base their maximum benefit on their state average weekly wage, I calculated a percentage based on the maximum benefit as of July 1, 2020, and that state's average weekly wage in the 3rd Quarter of 2020, as indicated in notes in the attachment. To be clear, this is not necessarily a true apples to apples comparison for these four states because average weekly wages are variable over time and the timing of the data used here for them might not align with the timing of changes in the states that use a percentage directly. However, it does provide a reasonable and meaningful comparison.

If you have any questions about this information or any other related issues, I would be happy to provide additional feedback and information.

Related Links

<https://oui.doleta.gov/unemploy/statelaws.asp#RecentStatelaw>

<https://oui.doleta.gov/unemploy/pdf/uilawcompar/2020/monetary.pdf>

<https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/July2020.pdf>

<https://www.bls.gov/news.release/cewqtr.t03.htm>

https://labor.alaska.gov/unemployment/documents/Calculating_Benefits.pdf

Attached: UI benefits comparison between Vermont and states with UI dependent benefits.