

**SB1087/ HB1773: AN ACT PROMOTING FAIRNESS FOR WORKERS
REQUALIFYING FOR UNEMPLOYMENT INSURANCE.**

**Lead Sponsors: Senator Robert O’Leary, Representative Willie Mae Allen
Joint Committee on Labor & Workforce Dev., May 2, 2007, 2:00 p.m., Rm B-2**

The Problem: A lower wage after a disqualification from a prior job may mean that you never qualify for unemployment insurance again!

What the law now says:

Individuals who lose a job and are disqualified from unemployment insurance (UI) can never again collect UI unless they subsequently work for at least 8 weeks in a job where their weekly earnings are at least equivalent to their weekly UI rate calculated on the basis of their wages in their prior job. This provision particularly harms older workers who cannot regain their prior earnings level in subsequent jobs.

An example of how this law hurts unemployed workers:

“Emma Thomas” left her banking job of over 12 years where she had worked her way up to become a mortgage loan officer. She was forced to quit due to severe stress after her employer failed, over a two year period, to provide her with the help needed to handle the increased workload. As she had been paid over \$11.00 an hour and had put in substantial amounts of overtime, her UI rate, had she not been disqualified, was determined to be \$303 a week. The Division of Unemployment Assistance (DUA) disqualified her on the grounds that she had voluntarily quit. DUA advised Ms. Thomas that she was disqualified indefinitely, *“until you have had 8 weeks of work and in each week have earned an amount equal to or in excess of your weekly benefit rate.”*

Ms. Thomas diligently searched for work but all she could find was a job at a bookstore earning \$6.75 an hour. She worked full time, 40 hours per week. When she was laid off through no fault of her own, she was not eligible for UI because at this hourly rate, she could not accumulate any weeks toward curing her disqualification. Unless she finds a high paying job, she many never be able to get UI again!

The Solution: Simply require that in order to requalify for UI, a worker needs to have worked for at least 8 weeks and earned an aggregate amount which represents 8 times the weekly UI rate --- rather than setting an earning requirement in each week of work.

Why Now? This legislation is timely because:

- ✓ In the current economy, many workers are forced into jobs paying less than prior jobs;
- ✓ DUA agrees that the current language has the unintended consequence of barring workers from ever receiving UI again and has agreed on the language to fix the problem;
- ✓ This change will have an insignificant impact on the UI trust fund while ensuring that workers are not unfairly denied UI.

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