

FACT SHEET

S. 1072: AN ACT RESTORING FAIRNESS IN THE UNEMPLOYMENT INSURANCE LAW FOR WORKERS IN TEMPORARY JOBS.

Lead Sponsor: Senator Patricia Jehlen Committee: Labor and Workforce Development

The Problem:

Workers in temporary jobs constitute a rapidly growing portion of the workforce, yet these workers are three times more likely to earn poverty level wages and seven times more likely to lack health insurance than workers in permanent jobs. Due to the contingent nature of the work, these workers face unemployment more frequently and unemployment insurance (UI) is critical to meet their basic needs.

Under a recent change to the unemployment law, a worker who has completed a work assignment with a temporary agency is assumed to have quit that job and not qualify for UI UNLESS the worker can prove that she or he sought another assignment from that temp agency.

This change undermines the purpose of UI because it:

- √ unfairly imposes additional barriers to the receipt of UI for workers leaving temporary job assignments.
- √ undermines principles of contract law by ignoring that each work assignment is a separate contract .
- √ forces a worker to stay in the temporary workplace characterized by lower pay and benefits or forego any UI.
- √ prevents workers from actively looking for sustainable, permanent work that effectively utilizes their skills and contributes to the long-term productivity of the labor market.
- √ ignores long-standing principles that workers need only seek out “suitable work,” i.e., work which is not detrimental to the individual’s health, safety and morals; fits the employee based on training and experience; is located within a reasonable distance from the employee’s residence or prior jobs; and pays wages and benefits comparable to that worker’s prior jobs.
- √ precludes UI eligibility for vulnerable workers such as day laborers who get “reassignments” by standing on a street corner in the early morning hours hoping that they will be selected for a job. These workers will not be able to prove that they sought a reassignment.
- √ makes it easy for temporary agencies to manipulate the system by not keeping records of who sought reassignments and by offering work that is not suitable discouraging requests for reassignment; thereby, artificially lowering their experience rate and shifting the burden of their UI costs to workers and other employers in the UI system.

What this bill will do:

This bill will repeal the change to UI law and restore the prior practice of the Division of Unemployment Assistance (DUA). Under prior law, DUA determined if a job had ended and awarded UI only if the individual was available for and actively seeking work and had not refused an offer of suitable work. This approach reaffirms UI’s purpose to provide income to enable an individual to find suitable, permanent work, while ensuring that only individuals who have no suitable work available to them will collect UI.

