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CLARIFYING THE NONMONETARY ELIGIBILITY CONDITIONS IN THE UNEMPLOYMENT INSURANCE SYSTEM

Amy B. Chasanov

There are two broad categories of eligibility—monetary and nonmonetary—that are used to determine whether an unemployed worker is eligible for Unemployment Insurance (UI) benefits. While monetary eligibility conditions are designed to ensure that those who receive UI benefits had a substantial attachment to the labor force prior to unemployment, nonmonetary eligibility conditions are designed to ensure that UI recipients (1) are either involuntarily unemployed or voluntarily unemployed for good cause, and (2) are able to work, available for work, and seeking work. Both types of eligibility requirements are determined by the states, with only minimal requirements imposed by the federal government.

Although the particular nonmonetary eligibility conditions vary considerably by state, the general categories are similar. States initially disqualify individuals from receiving benefits for a number of reasons, including: (1) voluntary separation from work without “good cause,” (2) discharge from employment due to misconduct connected with the job, (3) unemployment resulting from a labor dispute, and (4) fraudulent misrepresentation to obtain or increase benefits. These disqualifications often result in a postponement of benefits for a specified period of time or for the duration of the unemployment spell. In many states, an individual must work for a given amount of time before he can requalify for UI benefits. The penalties associated with these disqualifications are specified in each state’s law.

A UI claimant also must be able to work and be available for suitable work in order to be *eligible* to receive benefits. A claimant also must be looking for work and submit evidence of a job search in accordance with state law. These conditions are continuing requirements—that is, they must be met each week but if an individual is disqualified for not meeting one of the continuing requirements, she may receive benefits again as soon as that condition changes. In addition, an individual is disqualified from receiving UI benefits if he

refuses an offer of suitable work without "good cause"; this is a more serious situation and results in a postponement of benefits for a period of time specified in state law.

While the general categories of nonmonetary eligibility conditions and their associated penalties usually are stated explicitly in state law, specific definitions of these categories often are not found in state law. Interpretations of eligibility conditions may appear in state rules and regulations or in administrative or judicial case law, and these available sources sometimes conflict. As a result, determining the treatment of a given individual and circumstance, even within a particular state, can be difficult.

The Interstate Conference of Employment Security Agencies (ICESA) recently conducted a survey of the states which provides much more complete, current information than was previously available regarding nonmonetary eligibility conditions. The survey was intended to determine the *expected agency result*—that is, the result reflective of directives provided to claims examiners on how to make nonmonetary eligibility decisions. Highlights from the survey results and their policy implications are presented briefly below.

Nonmonetary eligibility requirements vary significantly across states and eligibility often is dependent on the specific circumstances in any given case. The lack of published information regarding state nonmonetary eligibility conditions is likely to exacerbate this problem, causing serious misunderstandings that harm both claimants and employers. These misunderstandings also may place additional strain on the UI system in the form of additional appeals.

The ICESA survey results suggest that many of the states' eligibility restrictions are likely to affect women and low-wage workers disproportionately. Women and minorities are more likely to be employed part-time and are more likely to seek part-time work. Such workers often are considered *unavailable for work* and ineligible for UI benefits if they report seeking only part-time work. In addition, women are more likely to be care givers in a family and to be determined unavailable for work if they restrict their hours of availability. Low-wage workers—who also are disproportionately likely to be women or minorities—also are more likely to be affected by restrictions in the availability of transportation and child care. Such workers often are considered *unavailable for work* and ineligible for UI benefits if

they restrict their available hours for work, even for compelling personal circumstances, domestic circumstances, or lack of transportation.

Contingent workers and individuals who work for temporary-help agencies often are ineligible for benefits based on nonmonetary criteria, even when they meet the state's monetary eligibility requirements. When individuals with a prior history of temporary or commission work refuse a subsequent offer of temporary or commission work, they are ineligible for UI benefits in almost half the states. This restriction could make it difficult for the growing number of temporary workers to seek and find permanent positions.

In a number of states, individuals who leave their job due to a change in their employment situation—for example, a change in scheduled work hours—are determined to be ineligible for benefits. This situation is particularly difficult for workers in today's labor force, where a nonworking parent is no longer typical. Changes in an employment situation could cause significant hardship for workers with child care and other care-giving responsibilities.

The survey results suggest two primary policy implications. First, clarification of state nonmonetary eligibility conditions in state laws and distribution of these materials to both claimants and employers could partially remedy the current lack of knowledge concerning these determinations. Second, the current nonmonetary eligibility conditions across the states should be reviewed and revised so that the UI system better addresses the realities of today's labor market. These conditions should ensure that individuals who have a significant attachment to the labor force but face a number of situations that may directly or indirectly restrict their UI eligibility—for example, a part-time work history, care-giving responsibilities, a temporary work history, or changing employment situations—are treated equitably within the UI system.