

[COMMITTEE PRINT]

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*

DATA RELATING TO H.R. 15119,
THE UNEMPLOYMENT INSURANCE AMENDMENTS
OF 1966

PREPARED BY THE STAFF FOR THE USE OF THE
COMMITTEE ON FINANCE



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NOTE

The tables in this pamphlet were prepared by the Bureau of Employment Security, U.S. Department of Labor.

Several publications available to the committee will provide additional information on unemployment insurance. The first is entitled "Comparison of State Unemployment Insurance Laws," U.S. Department of Labor, Bureau of Employment Security. The latest issue summarizes the State unemployment insurance laws arranged by general features of the law and incorporating State changes through the 1965 legislative sessions. The principal features of the State laws as of July 5, 1966, are summarized on the folded sheet entitled "Significant Provisions of State Unemployment Insurance Laws," July 5, 1966, U.S. Department of Labor, Bureau of Employment Security.

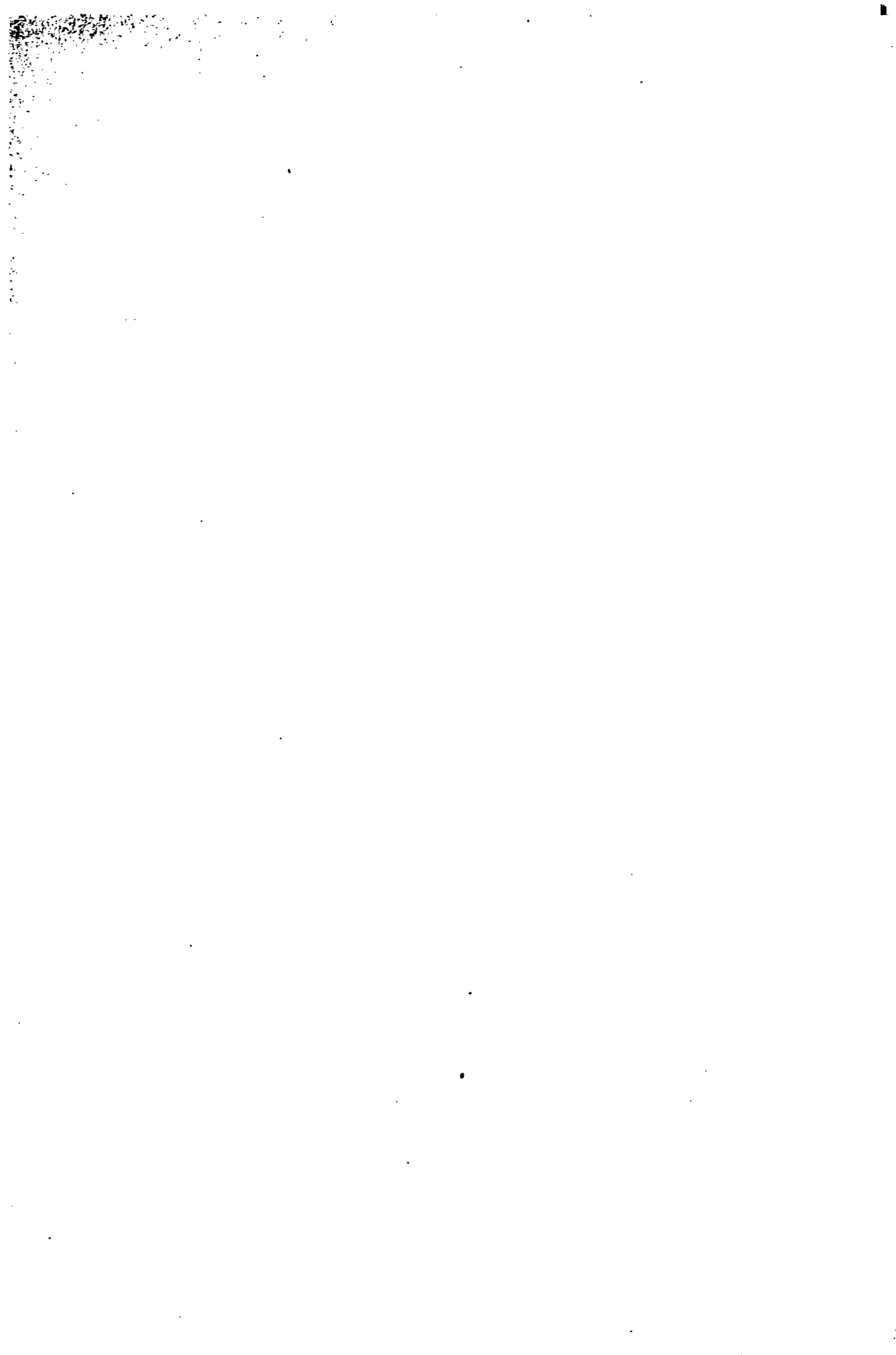


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PART I. SUMMARY OF H.R. 15119, AS PASSED BY THE HOUSE OF REPRESENTATIVES

This bill represents the most comprehensive revision of the Federal-State program of unemployment compensation Congress has undertaken since the system was inaugurated in 1935. It broadens coverage of the unemployment insurance program to apply to additional workers, and provides for extended payment of benefits during periods of recession or high unemployment when many workers are exhausting their regular unemployment compensation without finding new work.

The bill also assures judicial review of administrative determinations of the Secretary of Labor with respect to a State plan of unemployment compensation. In addition, it adds new requirements that State plans must satisfy to qualify employers within the State for Federal tax credits. These would (a) prevent reduction or denial of benefits for workers filing interstate claims, or for those who are undergoing approved training; (b) prevent a worker from drawing full benefits in 2 successive years on the basis of a single work record; and (c) prevent cancellation of wage credits except for certain acts.

In order to finance the extended benefits provided by the bill, as well as to assure adequate funds for the administration of the entire unemployment compensation program and to train personnel, H.R. 15119 would increase the Federal unemployment tax rate from 3.1 percent to 3.3 percent. The maximum credit 2.7 percent under present law would be continued, making the net Federal tax 0.6 percent.

The taxable wage base, currently \$3,000, would also be increased. In 1969 it would go to \$3,900 and in 1972 it would be further raised to \$4,200.

COVERAGE

Of approximately 65 million jobs in wage and salary employment in the United States today, about 49.7 million are already protected by unemployment compensation. H.R. 15119 would broaden the program (generally effective in 1969) to include 3.5 million more jobs.

(a) *Small firms.*—Nearly 1.2 million of these newly covered workers are employees of small firms. Under present law, coverage is required only if an employer has four or more workers in his employ on 1 day in each of 20 different weeks in the year. H.R. 15119 would require coverage of employees of a firm if it employs one or more workers on 1 day in each of 20 different weeks, or it pays wages of \$1,500 or more in any calendar quarter during the year.

(b) *Definition of employee.*—Another 200,000 jobs would be brought within the program by changing the Federal definition of employee for unemployment tax purposes to conform more closely with the definition used for social security purposes. At present, both programs cover corporate officer and common-law employees. Unlike the social security rules, however, the unemployment compensation system does not cover such jobs as agent drivers and commission drivers engaged in the distribution of meat, vegetable, fruit or bakery products, beverages (other than milk) or laundry or dry-cleaning services. Similarly, the unemployment compensation system does not cover regular full-time traveling or city salesmen although the social security system treats them as employees.

Under H.R. 15119, both these categories of independent agents would be treated as employees in order to assure that their jobs will be protected by unemployment compensation.

H.R. 15119 does not extend coverage to homeworkers or full-time life insurance salesmen who are not common-law employees. "Homeworkers" refers to individuals who perform specified industrial-type work for a person on materials furnished by him; the term does not refer to domestic employees.

Life insurance salesmen are presently covered by the unemployment compensation program to the extent their remuneration is not received by way of commissions. If they are paid for their services solely by way of commissions, they are not considered to be employed for purposes of the unemployment tax. H.R. 15119 makes no change in their status.

(c) *Agricultural labor.*—Approximately 200,000 additional jobs in agricultural-related industry would be brought under the unemployment compensation system. At present, true agricultural labor, that employed in tilling the soil or in harvesting crops, is excluded from coverage under the unemployment compensation system. Work performed in the operation and maintenance of a farm and its equipment is similarly excluded. The bill as passed by the House does not change this status.

Also excluded are agricultural-related jobs such as in the production of maple sugar and maple sirup, the growing of mushrooms, poultry hatching, and the operation of irrigation systems used exclusively for agricultural purposes. H.R. 15119 would expand the coverage of the unemployment compensation

system to include these activities, unless they are performed on a farm. In the case of irrigation ditch companies, however, the coverage would be extended only to those workers who are employed by profit-making enterprises.

The present law also excludes from unemployment compensation coverage work performed in post-harvest processing of fruits and vegetables and other agricultural commodities as an incident to ordinary farming operations, or work performed by commercial handlers incidental to the preparation of such fruits and vegetables for market. H.R. 15119 would change these rules so that employees of commercial fruit and vegetable handlers would be covered for unemployment compensation purposes. It would also extend coverage to post-harvest processing services performed in the employ of a farm operator (or a group of farm operators) or of a cooperative organization of farm operators unless the operator (or group) or the members of the cooperative produced more than one-half of the commodity processed.

Services performed in the ginning of cotton or in the production of naval stores are not now covered under the unemployment compensation program and the bill would not affect their status.

(d) *Nonprofit organizations and State hospitals and universities.*—Nearly 1.9 million employees of nonprofit religious, charitable, educational, and humane organizations, and of State (but not city or county) hospitals and universities, would be brought into the unemployment compensation system. The House bill provides three special rules governing the extension of coverage to these workers. First, they would be covered only if they have four or more employees on one day in each of 20 different weeks.

Secondly, these organizations would have to be provided with an option under the State laws to elect to reimburse the State unemployment fund for benefits paid on their individual accounts. This reimbursement would be in lieu of paying the State unemployment tax. The election procedure is designed to protect these non-profit organizations from having to share in the cost of benefits paid to workers of profit-making enterprises, as they might if they were subjected to the State tax. Presumably, those nonprofit organizations with stable employment records would exercise this election since it would reduce their costs.

Thirdly, neither the newly covered nonprofit organizations nor the State hospitals and colleges would be subjected to the Federal unemployment tax.

Not all employees of these nonprofit organizations or State facilities would be required to be covered by H.R. 15119. To the contrary, the bill provides that certain specified services may be excluded by the State law. Thus, for example, the following services may continue to be excluded just as under existing law:

1. Service for a church or for an organization operated primarily for religious purposes and controlled or supported by a church or churches. For example, under this provision a college devoted primarily to preparing students for the ministry would be exempt.
2. Service by ministers and members of religious orders, if the services are in the course of their religious duties.
3. Service in educational institutions not institutions of higher education. Under this provision all grade and secondary schools and most prep schools would be exempt.
4. Service for institutions of higher education performed by individuals employed in an instructional, research, or principal administrative capacity. This latter category would exclude not only the officers of the institution such as the president and the board of directors but also other individuals who do not have titles as officers of the institution but who serve in a principal administrative capacity, such as the business manager, chief librarian, etc.
5. Service for hospitals, and medical research organizations operating in conjunction with hospitals, by physicians, dentists, osteopaths, chiropractors, naturopaths, and Christian Science practitioners, and by individuals employed in an instructional or research capacity.
6. Service performed by "clients" of sheltered workshops. This refers only to the person receiving rehabilitation or remunerative work in the workshop.
7. Service performed by an individual receiving work-relief or work-training in a program assisted or financed by any Government agency.

Not only are these services omitted from the new requirements for coverage of nonprofit organizations, but also they may not be taken into account in determining whether the nonprofit organization has four or more employees for the specified period.

Generally, the workers who would be required to be covered are engaged in performing manual activities comparable to those performed by employees of profitmaking businesses. They are, for example, janitors and scrubwomen, electricians, carpenters and machinists, clerks and typists, waitresses, cooks and dishwashers, nurses, orderlies, elevator operators, accountants and bookkeepers, individuals in many other occupations.

The coverage provided by the House bill is only of services which are excluded solely because they are performed for a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1954, or because they are performed for a State or for an instrumentality of one or more States. Existing provisions of the Federal Unemployment Tax Act which exclude services by student nurses and interns, students employed by the school they are attending, and services for less than \$50 a quarter are not changed because their exclusion is not "solely" under the nonprofit exemption.

As in the past, States are free to go beyond Federal coverage and bring under the State law any additional groups the State legislature considers appropriate.

Like the other provisions in the bill for extending coverage, these features relating to nonprofit institutions and State hospitals and schools of higher education apply in 1969. However, the amendment which permits States to offer the benefit-reimbursement election is made effective January 1, 1967.

(e) *Work study programs.*—In one respect H.R. 15119 narrows the coverage of the unemployment compensation system. This is with regard to individuals engaged in a course of education involving both work experience and academic classroom study taken for credit. Under present law, the work these students perform for their employers generally is covered by the unemployment compensation program. However, for the exclusion from coverage to be effective for students engaged in work-study programs, the educational institution (whether a college or high school) must certify to the employer that the work portion is an integral part of the academic program.

The withdrawal of coverage provided by this feature of H.R. 15119 would become effective January 1, 1967.

DISQUALIFICATIONS, INTERSTATE CLAIMS, ETC.

H.R. 15119 adds several new requirements which the State laws must reflect if employers in the State are to receive a credit against the Federal tax.

(a) *Requalifying requirement.*—The first of these new requirements would prohibit a worker from qualifying for unemployment compensation in two different benefit years following a single separation from work. Under present law, it is possible for a worker to obtain benefits in a second benefit year where the State law (for administrative reasons) provides a lag between the end of the period used to measure a worker's past attachment to the labor force and wage credits for monetary entitlement—the base period—and the period during which rights based on such wage credits may be used—the benefit year. If the lag is long or the qualifying wages needed for monetary entitlement are low, the wages or employment in the lag period may be enough to establish a new benefit year and a new period of benefit entitlement with no intervening employment.

The House bill would require an individual to have had some work in order to qualify for additional unemployment compensation in a second benefit year. It does not specify how much work is to be required or whether it is to be in covered employment. These matters are left to the discretion of the separate States.

(b) *Disqualifications.*—Under present law in some States, the wage credits of a worker may be canceled or totally reduced for, among other things, voluntary separation from work, discharge for misconduct, and refusal of suitable work. The individual whose wage credits are canceled or totally reduced is thereby prevented from drawing any unemployment compensation based on such wage credits. The House bill would prevent the cancellation of wage credits or the total reduction of unemployment benefits except in those cases where the unemployed worker (1) was discharged for misconduct connected with his work, (2) committed fraud in connection with a claim for compensation, or (3) received disqualifying income.

The House bill does not indicate for how long unemployment compensation might be denied a worker who, for example, voluntarily leaves his job, nor does it indicate the extent to which his entitlement to benefits might be reduced. These decisions would be left to the States. H.R. 15119 would not prevent a State from specifying the conditions for disqualification of a worker nor would it preclude "duration of unemployment" disqualifications in which a disqualified claimant is prevented from drawing compensation unless and until he is re-employed for some specified period or earns some specified amount and is again unemployed for reasons which are not disqualifying. Neither would it preclude disqualifications which only postpone receipt of benefits for a specified or flexible number of weeks, or which reduce monetary entitlement by the number of weeks of the postponement or by a specified amount. However, such postponements or reductions may not have the effect of a total denial of unemployment compensation.

The types of income, the receipt of which might result in total reduction of his benefit rights, under the House bill consist of employer pensions, social security benefits, and workman's compensation—payments which can be considered as wage loss replacements.

(d) *Worker training.*—Under present law in many States, unemployment insurance may not be paid to an individual while he is undergoing training, possibly as a prerequisite to obtaining new employment. The denial of benefits in these cases is based upon the fact that the individual may not be available for work or may not be actively searching for work. Similarly, denial may stem from an individual's refusal to accept a job offer because he is undergoing training for a more desirable job. H.R. 15119 would prohibit the States from denying unemployment compensation to such an individual if he is undergoing training with the approval of the State employment security agency.

(d) *Interstate claims.*—Under agreements in effect in all the States, an individual who becomes entitled to unemployment compensation because of work performed in one State may upon his separation apply for it in a second State where he is seeking new employment. In these cases, the benefit he will receive in the second State should be equal to the amount he would have received if he had applied in the State where he was previously employed. Some States, however, have special provisions in their unemployment compensation laws which provide that an interstate claimant may receive no more in benefits than he would receive if his employment had been in the State in which the claim is filed. Some State laws even provide that a claimant who files in another State may receive only a very limited benefit, which may be less than he would receive on the basis of service in either State. H.R. 15119 would correct this situation by providing that compensation shall not be denied or reduced to any individual solely because he files a claim in another State or because he resides in another State at the time he files a claim for unemployment compensation. Under this provision it would be required that the State of employment must provide unemployment compensation to interstate claimants on the same basis as that provided for their own residents.

(e) *Effective date.*—The new requirements which would be imposed on the States by these provisions are to become effective January 1, 1969.

EXPERIENCE RATING FOR NEW EMPLOYERS

Under present law, generally, employers may qualify for lower State tax rates (and for additional credit against the Federal tax) only if the rates were based on employment experience over a 3-year (or longer) period. (In 1954 the 3-year requirement was amended to permit experience-rated tax reductions to new employers provided the reductions were based on their actual experience over a period of at least 1 year. In practice, because of the ways in which experience is measured under State laws, an employer may pay higher taxes for longer than a year before he has the required year of experience necessary to qualify for reduced contributions.)

The House bill contains a provision which would authorize the States to assign reduced rates—but not less than 1 percent—to new and newly covered employers before they become eligible for experience-rated contributions. The bill does not specify how these reduced rates are to be determined for these employers but leaves this decision to the State legislatures. Under the bill it would not be necessary to assign the same rate to all new employers. For example, the State could assign new or newly covered employers the average rate applicable to the industry in which they are engaged if such rate is not less than 1 percent. This provision will ease the transition from a nontaxable to a taxable status faced by employers because of the extension of coverage. The special reduced rate provided by this new rule would be made applicable with respect to taxable years beginning after December 31, 1966.

MARITIME WORKERS

By the present law, State unemployment taxes may be imposed upon Federal instrumentalities and maritime employers if the State meets certain conditions generally intended to insure that there is no discrimination against these employers in terms of contributions nor against their workers in terms of benefits. The present Federal law, however, contains no enforcement provision for failure to comply with these conditions.

H.R. 15119 would provide for enforcing the nondiscrimination features of the present law. Under the bill, if the Secretary of Labor finds that a State law is discriminating with respect to a category of employers (or their employees), credit against the Federal tax would be denied to the category of employers affected.

It is made clear in the House bill that the new provision for judicial review would apply to findings of the Secretary under this provision.

This provision would become effective with respect to taxable years beginning after December 31, 1967.

JUDICIAL REVIEW

Presently, Federal law contains no provision authorizing a State to obtain judicial review of an adverse decision of the Secretary of Labor affecting the State unemployment compensation program.

To fill the void, the bill assures to the States the right to obtain judicial review of the findings of the Secretary of Labor which result in the denial of payment to a State of costs of administration or denial of tax credits to employers in the State. The States may seek judicial relief by petitioning for review in a Federal court of appeals within 60 days after the Governor of the State has received notice of an adverse finding by the Secretary. The immediate effect of the Secretary's decision would be stayed during this period. However, after commencement of legal action, the Court would decide whether the stay should be continued. In order to expedite the case, either the Secretary or the State could request that the case have preference on the Court's calendar. Review by the Court would encompass both questions of law and fact, but the Secretary's findings of fact would be conclusive unless contrary to the weight of the evidence. The appellate court's judgment would be reviewable by the Supreme Court. This provision would be effective upon enactment.

ADMINISTRATION

The bill contains several proposals for improvement in the present administration of the unemployment insurance program.

(a) *Amounts available for administrative expenditures.*—Under present law, the Federal Government grants funds to the States for the purpose of paying the costs of administering the employment security program. The amounts granted, however, may not exceed 95 percent of the net receipts of the Federal tax of 0.4 percent.

H.R. 15119 would increase the amount of funds available for administering the program by raising the base for applying the 95-percent factor from 0.4 to 0.5 percent.

(b) *Unemployment compensation research programs.*—The bill would establish a continuing and comprehensive program of research (including research through grants or contracts) to evaluate the administration of the unemployment compensation program. The information gathered by this research would be made public. Such research will include (but not be limited to) a program of factual studies covering the role of unemployment compensation under varying patterns of unemployment, the relationship between the unemployment compensation and other social insurance programs, the effect of State eligibility and disqualification provisions, and the personal characteristics, family status, employment background and experience of claimants. The provision also directs a program of research to develop information as to the effect and impact of extending coverage to excluded groups. The bill also authorizes such sums as may be necessary to conduct these research programs.

(c) *Training grants for unemployment compensation.*—The bill would authorize appropriations of \$1 million for the fiscal year 1967, and such sums as may be necessary thereafter, to the Secretary of Labor for training personnel in the administration of the unemployment compensation program. With this appropriation the Secretary may cooperate with the States to provide (through grants or contracts with public or nonprofit private institutions of higher learning) training for present and prospective unemployment compensation personnel. The Secretary may arrange with such institutions for special courses or seminars and may establish fellowships or traineeships. He may also prescribe safeguards for repayment of fellowship or traineeship expenses when individuals, who received training benefits under this new provision, do not continue with the unemployment program for a period prescribed by the Secretary. The Secretary may also relieve an individual from repayment when in his judgment it would be inequitable to require repayment by such individual.

(d) *Use of certain amounts for payment of expenses of administration.*—In 1954, Congress provided for the establishment of a Federal fund which would be used to make loans to States for the purpose of paying unemployment compensation benefits. At the same time, Congress provided that tax collections in excess of the amount needed to pay administrative expenses (and to maintain the loan fund at a specified level) were to be returned to the States. It was provided that the funds so returned to the States could be used within 5 years for any employment security administrative expenses (including the erection of new buildings and facilities) where the expenditure was specifically authorized by the State legislature. Thereafter, the funds could only be used for the purpose of paying unemployment benefits. Under this law, excess funds were transferred to the States in 1956, 1957, and 1958, and were used primarily to construct buildings for use in the employment security program. In 1963, when the 5-year period for the general use of these funds was about to expire, the period was extended to 10 years.

H.R. 15119 would extend the period for another 5 years, within which the excess tax collections returned to the States may be used for employment security purposes other than paying unemployment benefits.

(e) *Change in certification date.*—The bill would change the date on which the Secretary of Labor certifies that the State laws are in conformity with Federal requirements from December 31 to October 31 of each year beginning in calendar year 1967. This broadens the time period between the date of certification and January 31 of the following year, which is the date on which the Federal unemployment tax

return is due. In the future the certification would be based on a 12-month period ending on October 31 of each year rather than on a calendar year period ending on December 31.

EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

(a) *Background.*—In 1958, and again in 1961, Congress approved special legislation authorizing the payment of temporary extended unemployment compensation benefits to workers who had exhausted their rights to regular benefits under their State laws. In both of these instances, the extended benefits were considered necessary to combat the recession then existing. Except for these two instances there has been no Federal program of extended unemployment compensation.

Nine jurisdictions, however, do provide extended benefits for their employees in periods of high unemployment. These jurisdictions are California, Connecticut, Hawaii, Idaho, Illinois, North Carolina, Pennsylvania, Puerto Rico, and Vermont.

(b) *Extended benefits program.*—H.R. 15119, as passed by the House, would require the States to enact a permanent system of extended unemployment compensation, to be financed jointly by the Federal Government and by the States. In order to compel them to establish this new program, the bill provides for denial of the credit against the Federal tax to employers in States which do not comply. Under the bill, this new extended benefits program must become operative by January 1, 1969.

Under the House bill, the Federal Government and each State would share equally in the cost of paying extended benefits for up to 13 weeks for an individual in that State. Moreover, the Federal Government would pay one-half the cost of regular unemployment compensation benefits in excess of 26 weeks in a benefit year but within a maximum of 39 weeks per individual combined regular and extended benefits. In the interval between January 1, 1967 (when the Federal share of the Federal unemployment tax is increased) and January 1, 1969, a portion of the revenue derived from the Federal unemployment tax will be set aside to create a fund for the purpose of paying the Federal portion of the costs of providing these new extended benefits.

(c) *National-State "triggers".*—The extended benefits provided by the bill would become payable whenever there is high unemployment in periods of economic recession. The benefits would be "triggered" on a National basis or on a State-by-State basis if economic conditions indicate by rising unemployment and exhaustion statistics that a need for extended benefits is at hand. Under the bill, once an extended benefit period is "triggered" it cannot end for at least 13 weeks.

On a national basis the extended benefits would become payable in every State the third week after the Secretary of Labor determines that the rate of insured unemployment, seasonally adjusted, has equaled or exceeded 5 percent for each of the 3 most recent completed calendar months, and the number of claimants exhausting their benefits during such 3-month period totals at least 1 percent of covered employment. The national trigger is "off" if either of these conditions is not met.

On State-by-State basis the extended benefits would become payable the third week after the Secretary determines that for any 13-consecutive-week period, the insured unemployment rate in the State was 20 percent or more higher than the average for the corresponding period of the 2 preceding calendar years, provided the current rate equaled or exceeded 3 percent of covered employment. The State trigger would continue to be "on" as long as both of these conditions were met. The House bill provides that no new extended benefit period may begin by reason of the State "trigger" until 13 weeks have elapsed after the close of a prior extended benefit period triggered by either a national or State indicator.

(d) *Extended benefit amounts and duration.*—The amount of extended benefits payable to an individual would be determined by reference to his entitlement to State benefits. However, in no case could he draw extended benefits until he had exhausted all rights to regular compensation under the State law (or under any other Federal program of unemployment benefits).

Generally, the amount of extended benefits a State will be required to pay to an eligible individual is 50 percent of the total regular compensation payable to him during his benefit year. However, the extended benefits may not exceed (1) 13 times the individual's average weekly benefit amount, or (2) 39 times his average weekly benefit amount reduced by the regular compensation paid (or deemed paid) during his benefit year.

These limitations provide a maximum of 39 weeks of combined regular and extended benefits. If an individual qualifies for extended benefits during either a national or a State period, he may continue to draw his benefits for up to 13 weeks after the period terminates.

The weekly benefit amount paid under the extended compensation program would be equal to the average weekly benefit amount received by the worker (including allowances for dependents) before he exhausted his benefits.

In computing an individual's total extended compensation amount, the amount of regular compensation payable is determined before any reduction of benefit rights by reason of a disqualification, but

such reductions are deemed to be regular compensation paid. For example, if a worker was entitled to 26 weeks of regular compensation but was given a 6-week disqualification and equivalent reduction in benefit rights, and then exhausted his remaining 20 weeks, he would have potential extended compensation of 13 rather than 10 times his regular weekly benefit amount; he would be considered to have exhausted 26 weeks of regular compensation at the end of the 20-week period of compensation payments following the 6-week disqualification.

Under the bill, a State generally must apply the same terms and conditions under the extended benefits program as it applies under its own regular compensation program. However, there is one important exception. Some States do not require as much as 26 weeks of unemployment (or its equivalent) to qualify a worker for regular unemployment benefits. H.R. 15119 would permit those States to require up to 26 weeks of work to be eligible for extended benefits. No State, however, may require more than 26 weeks of work or its equivalent as a condition of eligibility for extended benefits. Under the bill, the Federal share of extended benefits would be paid to the States either in advance or by reimbursement.

(e) *Financing.*—The Federal share of the cost of extended benefits under the House bill would be financed by the proceeds from a net Federal tax of 0.1 percent. (The remaining 0.5 percent of the net Federal tax would be available for administration of the Federal-State employment security program.) With the increases in the wage base occurring in 1969 and in 1972, the amounts set aside for the extended benefits program are estimated as follows:

| [In millions] | | | |
|---------------|--------|------------------------------|--------|
| Fiscal year: | Amount | Fiscal year—Continued | Amount |
| 1968..... | \$136 | 1972..... | \$191 |
| 1969..... | 140 | 1973..... | 206 |
| 1970..... | 182 | | |
| 1971..... | 186 | Total for 6-year period..... | 1,041 |

Under the bill, the portion of the Federal revenue set aside for extended benefits would be credited to an extended unemployment compensation account in the unemployment trust fund until the balance in that account is the greater of (1) \$500 million or (2) an amount equal to two-tenths of 1 percent of total wages subject to contribution under all State unemployment compensation laws for the calendar year.

The bill also changes the existing provision with respect to the disposition of annual excess Federal tax collections, if any, by providing that whenever any excess is available from the administration account, it should be first available to the new extended unemployment compensation account. Any portion of such excess not needed to bring the balance in the latter account to the specified statutory limit would be available, as is now provided, to the Federal unemployment account, then to the employment security administration account, then to repay Federal advances to the new extended unemployment compensation account, then to repay advances to the Federal unemployment account, and finally to the State accounts in the unemployment trust fund.

INCREASE IN TAX RATE AND WAGE BASE

(a) *Tax rate.*—Under the bill, the rate of tax under the Federal Unemployment Tax Act would be increased from the present rate of 3.1 percent of taxable wages to 3.3 percent of taxable wages paid after 1966. The maximum 2.7 percent an employer is entitled to credit against the Federal Unemployment Tax Act contributions remains the same. Thus, the net Federal unemployment tax would be increased 0.2 percent from the present rate of 0.4 percent to 0.6 percent of taxable wages.

(b) *Wage base.*—Presently the taxable wage base is limited to the first \$3,000 of wages paid to an individual during the calendar year. The bill would provide a two-step increase from the present wage base of \$3,000 as follows: (1) beginning in 1969, the wage base would be increased to \$3,900, and (2) beginning in 1972, the wage base would be increased to \$4,200.

Based upon the proposed increase in tax rate and wage base, the net Federal unemployment tax per employee receiving the maximum wages would be, for the designated years, as follows:

| Year | Wage base | Rate | Net Federal unemployment tax amount |
|------------------------|-----------|------|-------------------------------------|
| 1966..... | \$3,000 | 0.4 | \$12.00 |
| 1967..... | 3,000 | .6 | 18.00 |
| 1968..... | 3,000 | .6 | 18.00 |
| 1969 through 1971..... | 3,900 | .6 | 28.40 |
| 1972 on..... | 4,200 | .6 | 28.20 |

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

The following table contains estimates of the Federal unemployment taxes which would be collected under the provisions of H.R. 15119 for the fiscal years 1968-73.

Estimated FUTA collections under H.R. 15119 and under current provisions, fiscal years 1968-73

(Collections in millions)

| Taxable (calendar) year | Taxes collected during (fiscal year) | Current law ¹ estimated collections | Proposed under H.R. 15119 ² | | | |
|-------------------------|--------------------------------------|--|--|---------------------------|-----------------------------|--------------------------------------|
| | | | Wage base | Estimated tax collections | | |
| | | | | Total | Currently covered employers | Newly covered employers ³ |
| 1967 | 1968 | \$544 | \$3,000 | \$616 | \$616 | ----- |
| 1968 | 1969 | 599 | 3,000 | 846 | 840 | ----- |
| 1969 | 1970 | 572 | 3,000 | 1,082 | 1,082 | \$44 |
| 1970 | 1971 | 584 | 3,000 | 1,116 | 1,082 | 54 |
| 1971 | 1972 | 585 | 3,000 | 1,146 | 1,082 | 54 |
| 1972 | 1973 | 600 | 4,300 | 1,206 | 1,176 | 60 |

¹ Net Federal tax of 2.60 percent on a \$3,000 wage base.

² Net Federal tax of 2.60 percent on specified wage base, beginning with taxable year 1967.

³ Represents taxes from proposed extension of Federal coverage, effective Jan. 1, 1969 (small firms, agricultural processing and change in definition of employer).

Source: Department of Labor, Bureau of Employment Security.

PART II. COMPARISON OF UNEMPLOYMENT INSURANCE BILLS: H.R. 15119 (AS PASSED BY HOUSE OF REPRESENTATIVES) AND S. 1991 (ADMINISTRATION BILL)

| Item | H.R. 15119 | S. 1991 |
|---|---|---|
| A. COVERAGE | | |
| 1. Small firms..... | 1. Employers of 1 worker during each of 20 weeks in a calendar year, or with payrolls of \$1,500 in a calendar quarter would be covered (sec. 101). | 1. Employers of 1 worker at any time would be covered (sec. 201). |
| 2. Definition of employee..... | 2. Definition of employee amended to bring closer to OASDI and thus extend unemployment insurance coverage to certain agent-drivers and salesmen even though they are not employees under common law (sec. 102). | 2. Definition of employee would be same as for OASDI. In addition to groups covered by H.R. 15119, would include as employees, full-time life insurance agents (except insurance agents on commission) and industrial homeworkers (sec. 204). |
| 3. Agricultural processing workers..... | 3. Definition of agricultural labor amended to bring it closer to OASDI and thus extend unemployment insurance coverage to certain processing workers now exempt as agricultural labor. Included in this group are maple sugar workers, those engaged in off-the-farm raising of mushrooms and poultry hatching, and workers in processing plants where more than half the commodities processed were not produced by the plant operator. This provision is similar to that for S. 1991, except that employees of certain agricultural cooperative organizations would not be covered (sec. 103). | 3. Definition of agricultural labor would be the same as for OASDI. This definition differs from that in H.R. 15119 in that employees of certain agricultural cooperative organizations would be covered under S. 1991 (sec. 205). |
| 4. Workers on large farms..... | 4. No provision..... | 4. Farms with 300 man-days of hired farm labor in any quarter would be covered for that year (sec. 205). |
| 5. Nonprofit organizations..... | 5. No FUTA coverage. As a condition for any tax credit, States would be required to provide coverage for certain employees of certain nonprofit organizations (sec. 104). | 5. FUTA coverage would be provided for most employees of nonprofit organizations. |
| (a) Services not covered..... | <p>(a) Coverage need not be extended to the following services (sec. 104(b)):</p> <ul style="list-style-type: none"> (1) Church employees and employees of church controlled or supported organizations operated primarily for a religious purpose; (2) Ordained or commissioned ministers and members of religious orders; (3) Employees of educational institutions other than institutions of higher education; (4) Persons employed by an institution of higher education in an instructional, research or principal administrative capacity; | <p>(a) Coverage would not be extended to services performed part time for religious organizations for which the rate of pay is less than \$15 per week, students, student nurses, and interns, and nonprofit services paid less than \$50 a quarter, nor would services listed for H.R. 15119 in 5(a)(2), 5(a)(6), and 5(a)(7) be covered (sec. 203).</p> |

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

PART II. COMPARISON OF UNEMPLOYMENT INSURANCE BILLS: H.R. 15119 (AS PASSED BY HOUSE OF REPRESENTATIVES) AND S. 1991 (ADMINISTRATION BILL)—Continued

| Item | H.R. 15119 | S. 1991 |
|--|---|---|
| A. COVERAGE—continued | | |
| <p>5. Nonprofit organizations—Continued (a) Services not covered—Con.</p> <p>(b) Size of nonprofits covered.....</p> <p>(c) Payment of tax.....</p> | <p>5. No FUTA coverage, etc.—continued (a) Coverage need not be extended, etc.—Con. (5) Physicians or similarly licensed practitioners, or persons employed in an instructional or research capacity, in hospitals or hospital-connected medical research organizations, but nurses would be covered; (6) Clients of sheltered workshops; (7) Participants in Federal or State assisted work-relief or work-training programs. No change in existing exclusions of students employed by the school they are attending, of student nurses and interns, and of services performed in a calendar quarter for a nonprofit organization the remuneration for which is less than \$50 a quarter.</p> <p>(b) Nonprofit organizations must be employers of 4 or more workers in 20 weeks during a calendar year (sec. 104(b)).</p> <p>(c) Nonprofit organizations must be allowed the option of reimbursing the State fund for unemployment insurance attributable to them or paying the regular contributions. They would not be required to pay the Federal unemployment tax (sec. 104 (b) and (c)).</p> | <p>5. No FUTA coverage would be provided, etc.—continued</p> <p>(b) No provision.</p> <p>(c) States may devise special methods of financing benefits for nonprofit organization employees without regard to the Federal experience rating requirement. Nonprofit organizations would be required to pay the net Federal unemployment tax (sec. 203 (b) and (c)).</p> |
| <p>6. State hospitals and institutions of higher education.</p> <p>(a) Services not covered.....</p> <p>(b) Payment of tax.....</p> | <p>6. Employees of State hospitals and State institutions of higher education would be covered except for the exclusion of certain services (sec. 104). (a) Services not covered would be those noted in A5 above for nonprofit hospitals and institutions of higher education (sec. 104(b)). (b) State hospitals and institutions would not be required to pay the Federal unemployment tax (sec. 104(c)). The State could provide either reimbursement or contribution method of financing, as it chose.</p> | <p>6. No provision.</p> <p>(a) No provision.</p> <p>(b) No provision.</p> |

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

7. Exclusion of students in work study programs.

8. Effective dates.....

B. PROVISIONS OF STATE LAWS

1. Benefit requirements.....

(a) Qualifying requirement.....

(b) Individual benefit amount.....

(c) Average weekly wage.....

(d) Maximum benefit amount.....

(e) Duration of benefits.....

(f) Effect of failure to meet condition for full tax credit.

7. Services of students engaged in certain work study programs, requiring the combination of academic instruction with work experience, are excluded from FUTA (sec. 105(a)).

8. Extension of coverage to small firms applies to remuneration paid after Dec. 31, 1968 (sec. 101(b)); the coverage extensions to agent-drivers, etc. (sec. 102(c)) and to agricultural processing workers (sec. 103(b)) apply to remuneration and services after Dec. 31, 1968; requirement of State coverage of nonprofit organizations, State hospitals and State institutions of higher education applies with respect to certification of State laws for 1969 and subsequent years, but only with respect to services performed after Dec. 31, 1968 (sec. 104(d)). The special nonprofit financing provisions are effective Jan. 1, 1967 (sec. 104(d)). The exclusion of students in work-study programs also is effective Jan. 1, 1967 (sec. 105(b)).

1. No provisions.....

7. No provision.

8. The coverage extensions apply to remuneration and services after Dec. 31, 1966; and the special nonprofit financing provisions are effective Jan. 1, 1965 (sec. 302).

1. Full tax credit is conditional on inclusion of the following benefit requirements in the State law (sec. 209):

- (a) No worker may be required to have more than 20 weeks of employment (or equivalent) in his base period to qualify for benefits.
- (b) Individual weekly benefit amount must be at least 50 percent of the individual's average weekly wage, up to the State's maximum weekly benefit amount. See B1(d) below.
- (c) Individual's average weekly wage is computed as $\frac{1}{2}$ of his high-quarter wages or as his total base period wages divided by weeks of work.
- (d) Maximum weekly benefit must be at least equal to the following percentage of the Statewide average wages:
 - (1) 50 percent for benefit years beginning between July 1, 1967, and June 30, 1969.
 - (2) 60 percent for benefit years beginning between July 1, 1969, and June 30, 1971.
 - (3) 66 $\frac{2}{3}$ percent for benefit years beginning after July 1, 1971.
- (e) Any worker who has 20 weeks of employment (or equivalent) shall be entitled to not less than 26 times his weekly benefit amount.
- (f) Failure to meet any of the conditions in B 1 above would reduce the Federal tax credits of employers in the State by the difference between 2.7 percent) and the State's 4-year benefit-cost rate (sec. 210).

PART II. COMPARISON OF UNEMPLOYMENT INSURANCE BILLS: H.R. 15119 (AS PASSED BY HOUSE OF REPRESENTATIVES) AND S. 1991 (ADMINISTRATION BILL)—Continued

| Item | H.R. 15119 | S. 1991 |
|--|---|--|
| B. PROVISIONS OF STATE LAWS—CON. | | |
| <p>2. Additional provisions to be included in State laws.</p> <p>(a) Requalifying requirement.....</p> <p>(b) Disqualifications.....</p> <p>(c) Training.....</p> <p>(d) Interstate.....</p> | <p>2. To receive any tax credit, the State law must include the following provisions (sec. 121(a)).</p> <p>(a) An individual who has received compensation during his benefit year must have had work since the beginning of such year to qualify for compensation in his next benefit year (sec. 121(a)).</p> <p>(b) An individual's wage credits must not be canceled nor his benefit rights totally reduced except for misconduct, fraud, or disqualifying income (sec. 121(a)). No other limitation on State disqualification provisions.</p> <p>(c) An individual must not be denied benefits because he is taking training with the agency's approval (sec. 121(a)).</p> <p>(d) An individual's benefits must not be denied or reduced because he filed his claims for benefits in, or resides in, another State (sec. 121(a)).</p> | <p>2. To receive any tax credit, the State law must include the following provisions (sec. 211).</p> <p>(a) Same (sec. 211).</p> <p>(b) Period of disqualification for all causes except fraud, labor dispute, and conviction of a crime arising in connection with work must be limited to 7 weeks postponement with no cancellation or reduction of rights (sec. 211).</p> <p>(c) Same (sec. 211).</p> <p>(d) Same, with the addition of "or in Canada" (sec. 211).</p> |
| <p>3. Effective dates.....</p> | <p>3. The provisions set forth in B2 above would be effective Jan. 1, 1969 (sec. 121(b)).</p> | <p>3. The provisions (of B1 and B2 above) generally would be effective for benefit years beginning July 1, 1967 (sec. 209 and sec. 302).</p> |
| C. FINANCING | | |
| <p>1. Experience rating.....</p> <p>2. Tax rate.....</p> <p>3. Wage base.....</p> | <p>1. Federal experience rating conditions for additional credit allowance amended to permit States to reduce tax rates of new or newly covered employers, but not below 1 percent (sec. 122(a)). See also A5(c) above.</p> <p>2. Federal unemployment tax rate increased to 3.3 percent (sec. 301(a)). Of the net Federal tax of 0.6 percent, 0.1 percent would be credited to a new extended unemployment compensation account to finance the Federal share of the extended benefits program established by the bill. H.R. 15119 provides for general revenues to the extended benefits program only for repayable advances to the extended unemployment compensation account when necessary (sec. 206(a)).</p> <p>3. Wages taxable under FUTA would be increased from \$3,000 to \$3,900 for 1969 through 1971, \$4,200 thereafter (sec. 302).</p> | <p>1. Federal experience rating conditions for additional credit allowance amended to give full credit for rates of less than 2.7 percent to pooled funds (only type of experience rating currently being used) no matter how the State law provides for reducing rates (sec. 208).</p> <p>2. Federal unemployment tax rate increased to 3.25 percent. Of the net Federal tax of 0.55 percent, the additional 0.15 percent tax would be credited to a new Federal adjustment benefits account to finance the Federal extended benefits and matching grants programs. Unlike H.R. 15119, S. 1991 would provide for a Federal contribution from general revenues to the Federal adjustment benefits account equal to 0.15 percent of taxable wages (secs. 101, 102, 202), in addition to repayable advances to that account when necessary.</p> <p>3. Wages taxable under FUTA would be increased to \$5,600 for 1967 through 1970, and \$6,600 thereafter (sec. 207).</p> |

percent of total State wages in covered employment, the Federal Government would make a grant to the State equal to 1/4 of the excess cost, provided the State met all FUTA requirements including benefit levels (sec. 102).

5. Effective dates-----

5. Experience rating provisions (nonprofit and new employers) are effective Jan. 1, 1967 (secs. 104(c) and 122(b)). Tax rate increase is effective for calendar year 1967 (sec. 301(b)), with the additional amounts to become available in fiscal years beginning after June 30, 1967 (sec. 141(b)). The \$3,900 wage base provision is effective for calendar years beginning 1969, and the \$4,200 base for calendar years beginning 1972 (sec. 302 (a) and (b)).

5. Experience rating provisions are effective Jan. 1, 1965 (sec. 302). The \$5,600 wage base provision is effective for calendar years beginning 1967, and the \$6,600 base for calendar years beginning 1971 (sec. 207).

D. EXTENDED BENEFITS FOR THE LONG-TERM UNEMPLOYED

1. General-----

1. Establishes a new Federal-State extended unemployment insurance program, which would require the States to enact laws providing for payment of extended benefits during periods of high unemployment to workers who have exhausted their basic entitlement. The periods during which benefits would be payable would be determined under a State trigger for each State and under a national trigger for all States (title II).

1. Establishes a new Federal unemployment adjustment benefits (FUAB) program to provide benefits to unemployed workers with a long work history, who exhaust their basic entitlement under a State or Federal program. Benefits would be payable at all times regardless of the level of unemployment (sec. 101).

2. Financing-----

2. Federal Government pays 50 percent of the cost, States the other 50 percent. Included in costs to be shared are regular benefits in excess of 26 weeks to the extent such excess weeks are paid during an extended benefit period (sec. 204).

2. Federal Government finances all costs of the extended benefits program, including regular benefits in excess of 26 weeks to workers eligible for FUAB (sec. 101).

3. Eligibility-----

3. Eligibility under the bill depends on the worker's benefit rights and his benefit year:

3. Eligibility under the bill depends on the worker's benefit rights and his work history over a 3-year period:

(a) Benefit rights-----

(a) To qualify for extended benefits, the worker must have exhausted his regular benefits and have no potential rights under any law; he may be required by State law to have had at least 26 weeks of base period employment or the equivalent (sec. 202 (a) and (b)).

(a) To qualify for FUAB the worker must have been unemployed 26 weeks and exhausted his regular benefits. In addition he must have had at least 26 weeks of employment in his State base period and at least 78 weeks of employment in a Federal qualifying period consisting of the State base period and the 2 years immediately preceding it (sec. 101).

(b) Benefit year-----

(b) To qualify, the individual must have at least 1 week of his State benefit year within an "extended benefit period." If his benefit year ends in such a period, and he cannot establish another benefit year, his benefits continue to be payable during not more than the 13 weeks following the end of the benefit year. In no case, however, is extended compensation payable for any week which does not begin in an extended benefit period (sec. 203(c)).

(b) No comparable provision.

PART II. COMPARISON OF UNEMPLOYMENT INSURANCE BILLS: H.R. 15119 (AS PASSED BY HOUSE OF REPRESENTATIVES) AND S. 1991 (ADMINISTRATION BILL)—Continued

| Item | H.R. 15119 | S. 1991 |
|---|--|---|
| <p>D. EXTENDED BENEFITS FOR THE LONG-TERM UNEMPLOYED—continued</p> | | |
| <p>4. Benefit amount and duration.....</p> | <p>4. In an extended benefit period, the worker would be paid an extended weekly benefit amount equal to his regular weekly benefit amount under the State program, including dependents' allowances, if any. Extended compensation would be payable for not more than ½ his basic entitlement, up to a maximum of 13 weeks extended compensation and 39 weeks combined regular and extended compensation (sec. 202(d)).</p> | <p>4. Whenever he became eligible under the FUAB program, the worker would be paid a weekly benefit amount equal to his regular weekly benefit amount under the State program, including dependents' allowances, if any. FUAB would be paid for 26 weeks during the worker's Federal benefit period, consisting of the State benefit year and the 2 succeeding years. No more FUAB would be payable in the 3-year period. If a worker has received payments under a State program for more than 26 weeks, his FUAB duration would be reduced accordingly and the State reimbursed for such payments (sec. 101).</p> |
| <p>5. Extended benefit period.....</p> | <p>5. Benefits would be payable only during an extended benefit period, which would be based on either a national or a State "on" indicator and would begin 3 weeks after whichever occurred first. An extended benefit period would stay in effect for at least 13 weeks (sec. 203).</p> | <p>5. Benefits would be payable at any time to individuals who met eligibility requirements (see D3 above) (sec. 101).</p> |
| <p>(a) National "on" indicator.....</p> | <p>(a) When an extended benefit period was established by a national "on" indicator, extended benefits would be payable in all States. An extended benefit period would be established by a national indicator if (1) the seasonally adjusted rate of insured unemployment for the Nation equaled or exceeded 5 percent for each month in the 3-month period and (2) the total number of claimants exhausting their rights to regular compensation during those 3 months equaled or exceeded 1 percent of covered employment. It would end whenever either of these conditions was not met (sec. 203).</p> | <p>(a) No provision.</p> |
| <p>(b) State "on" indicator.....</p> | <p>(b) In the absence of an extended benefit period based on the national indicator, an extended benefit period would be established for an individual State if (1) the average rate of insured unemployment for a running 13-week period equaled or exceeded 120 percent of the average rate for the corresponding 13-week period of the 2 preceding years and (2) such rate equaled or exceeded 3 percent. It would end whenever either of these conditions was not met. A 14-week interval between State extended benefit periods is required (sec. 203).</p> | <p>(b) No provision.</p> |

those added by this bill.

7. Waiver, release, transfer or assignment of benefit rights.

7. No specific provision; general State unemployment insurance law provisions against waiver, etc., would apply.

with respect to training, counseling, testing, and disqualifications under the FUAB program to be established by this bill (sec. 101).

7. Individuals prohibited from waiving, releasing, or committing benefits under this act. Employers may not directly or indirectly deduct required contribution from wages (sec. 101).

8. Effective dates.....

8. No extended benefit period may begin with a week beginning before Jan. 1, 1969 (sec. 208(a)). Payments to States provision shall apply with respect to weeks of unemployment beginning after Dec. 31, 1968 (sec. 208(b)). Provision that State law must have an extended benefits program to apply beginning with taxable year 1969 (sec. 208(c)).

8. Benefits payable for weeks of unemployment beginning after June 30, 1966, and after date of enactment for those who have 26 weeks of unemployment after Dec. 31, 1965 (sec. 101).

E. JUDICIAL REVIEW

1. Judicial review.....

1. States are afforded an opportunity for judicial review of any findings of the Secretary of Labor which could adversely affect the rights of employers of that State to tax offset credit or result in cutting off from a State funds for administration of its UI program (sec. 131).

1. No provision.

2. Effective date.....

2. The judicial review amendments take effect on the date of enactment of the bill (sec. 131).

2. No provision.

F. OTHER PROVISIONS

1. Research program.....

1. The Social Security Act would specifically authorize a continuing and comprehensive research program on unemployment insurance with authorization to appropriate funds for such program (sec. 142).

1. Same, except for authorization for the 1st year of a specific amount of funds (\$5,000,000) and to initiate programs for plans to cover all presently excluded groups (sec. 103).

2. State staff training.....

2. H.R. 15119 provides directly or through State agencies for training of current and prospective State unemployment insurance staff, including grants to non-profit institutions of higher learning for training personnel, special courses, and fellowships and traineeships (sec. 142).

2. Same except that "through State agencies" is not specified in S. 1991 (sec. 103).

3. Reed Act funds.....

3. States would have another 5 years in which funds returned to them as excess Federal tax collections could be spent for administrative purposes (sec. 143).

3. No provision.

4. Certification date.....

4. The certification date for tax credit would be changed from Dec. 31 to Oct. 31, beginning 1967 (sec. 144).

4. Same, except for effective date Jan. 1, 1966 (sec. 212).

5. Maritime workers, etc.....

5. Sanction provided to enforce existing prohibition in the FUTA against discriminatory treatment of workers over whom the Federal Government has special jurisdiction, such as maritime employees and employees of Federal instrumentalities (sec. 123).

5. Same, except that the new provision applies to maritime employees only (sec. 206).

PART II. COMPARISON OF UNEMPLOYMENT INSURANCE BILLS: H.R. 15119 (AS PASSED BY HOUSE OF REPRESENTATIVES) AND S. 1991 (ADMINISTRATION BILL)—Continued

| Item | H.R. 15119 | S. 1991 |
|-------------------------------------|--|---|
| F. OTHER PROVISIONS—CON. | | |
| 6. Special advisory commission..... | 6. No provision | 6. Secretary is to appoint a 12 member Special Advisory Commission 3 years after enactment to study the unemployment insurance system and recommend improvements 2 years thereafter (sec. 301). |
| 7. Effective dates..... | 7. Research and staff training appropriations authorized beginning with fiscal year ending June 30, 1967 (sec. 142). Change in certification date would apply for the taxable year 1967 and thereafter (sec. 144(h)). Provision affecting maritime workers would be effective with respect to the certification on Oct. 31, 1968 (sec. 123). | 7. Research and staff training appropriations authorized beginning with fiscal year ending June 30, 1966 (sec. 103). Change in the certification date would apply for the taxable year 1966 and thereafter (sec. 302). Provision affecting maritime workers would be effective with respect to the certification on Oct. 31, 1967 (sec. 206). |

PART III. THE PRESENT UNEMPLOYMENT INSURANCE PROGRAM—BRIEF SUMMARY

Unemployment insurance is a Federal-State system designed to provide temporary assistance to workers against the economic hazards of unemployment. It builds up funds by taxes on wages during periods of employment so that benefits can be paid to covered workers during periods of unemployment. At the same time that the unemployed worker is assisted financially while he is looking for work, the benefit payments help maintain purchasing power and cushion the shock of unemployment in the neighborhood, town, or region where workers have been laid off.

THE STATUTES

The unemployment insurance system in this country is the product of Federal and State legislation. Approximately three-fourths of all nonfarm wage and salary workers are covered by the Federal-State system established by the Social Security Act enacted in 1935 and State unemployment compensation laws enacted in all States, including the District of Columbia and Puerto Rico. The Federal taxing provisions are in the Federal Unemployment Tax Act, chapter 23 of the Internal Revenue Code of 1954. Railroad workers are covered by a separate Federal program and are not discussed. Federal civilian workers and members of the Armed Forces are covered by title XV of the Social Security Act.

The provisions in the Social Security Act and the Federal Unemployment Tax Act establish the framework of the system. If a State has a law which meets certain minimum Federal requirements, employers may take credit against their Federal tax for the amounts they have paid to the State for benefits to the unemployed, and the State is entitled to Federal grants to cover all the necessary costs of administering the program.

The Federal requirements are designed, generally speaking, to insure the use of moneys in the State's unemployment fund solely for unemployment benefits, to safeguard the investment of the trust fund, to prevent the depression of labor standards, to assure an opportunity for fair hearing to all workers whose claims are denied, and to insure prompt payment of benefits.

FINANCING THE PROGRAMS

Under the Federal-State system of unemployment insurance, each employer in all but a few specified industries (see p. 18) who employs four or more workers in each of at least 20 weeks during the calendar year is subject to a Federal tax of 3.1 percent on the first \$3,000 paid to each worker during the calendar year. This tax is reduced to 0.4 percent of such wages, if the employer pays taxes to the State under an approved unemployment insurance law. The revenues derived from the Federal tax serve principally to finance the administration of the program. In any year in which revenues exceed costs of administration, the excess is used to build up and maintain a fund from which States with depleted reserves can, if they meet the eligibility requirements, obtain non-interest-bearing advances.

In addition to the Federal tax liability, employers subject to State unemployment insurance programs pay taxes on their payrolls covered under State law. Three States also levy taxes on employees covered under their programs. Excluded from coverage under most State, as well as Federal, laws are employees in agriculture, nonprofit establishments, and some others. The revenues derived from the State unemployment tax are used only to pay benefits to unemployed workers claiming and found eligible for benefits under the law of that State. Each State program is financially independent of any other and an account for each State is maintained in the Unemployment Trust Fund in the U.S. Treasury into which taxes collected in a State for the payment of benefits are deposited until needed. On December 31, 1965, the reserves of all States totaled \$8.4 billion.

The standard tax rate in all but eight States is 2.7 percent of taxable payrolls. This represents the maximum amount that can be offset against the Federal tax. The remaining eight States have higher standard rates. The Federal law permits an employer to credit against his Federal tax not only amounts he has paid to the State but also additional amounts he has been excused from paying under an approved system for varying an employer's tax rate according to his comparative experience with the risk of unemployment. (A requirement of sec. 3303(a)(1) of the Federal Unemployment Tax Act.) All the laws contain provisions for experience rating except Puerto Rico although the operation of such provisions may be suspended in periods of high costs. Rates may go as low as zero for some employers in some

States; under some laws employers with unfavorable experience may be required to pay more than 2 percent. In 1965, the estimated average State tax rate was 2.1 percent of taxable payroll. In seven States, the tax rate averaged 2.7 percent or more, while in four States the average State unemployment tax rate was less than 1 percent of taxable payroll. As a percent of total payroll of covered employers, the average rate was 1.2 percent.

Just as each State determines under its own law the rates of contribution to be charged to employers in light of their past experience with unemployment, so each State determines the limit to which wages paid to workers in covered employment shall be taxable under State law. As of January 1, 1966, 1 State taxed wages up to \$3,300, 11 States taxed wages up to \$3,600 per year, Nevada taxed up to \$3,800, California up to \$4,100, Utah up to \$4,200, Hawaii up to \$4,300, Minnesota up to \$4,800, and Alaska up to \$7,200 per year. In all other States taxable wages are limited to \$3,000, the same as under the Federal Unemployment Tax Act.

Each State, likewise, determines the size of reserves it wishes to maintain.

COVERAGE

Summary of coverage of unemployment insurance, 1964

| | Millions of workers | | Millions of workers |
|---|---------------------|--|---------------------|
| Covered by programs..... | 49.7 | Agricultural employees..... | 1.6 |
| Noncovered groups, total..... | 15.1 | Agricultural processing employees..... | .3 |
| State and local government employees..... | 6.7 | Nonprofit institutions..... | 2.0 |
| Domestic employees..... | 2.6 | Miscellaneous groups..... | .2 |
| Small firm employees..... | 1.7 | | |

Source: U.S. Department of Labor, Bureau of Employment Security.

ELIGIBILITY REQUIREMENTS

All States pay unemployment insurance only to those unemployed workers who meet two types of eligibility requirements: past employment experience which indicates a history of attachment to the labor force; and actions during the course of the claim which indicate a current attachment to the labor force. The past attachment is measured by the amount of wages or number of weeks of employment the worker has received during a 12-month "base period" preceding his first claim for benefits. The present attachment of the worker to the labor force is measured by evidence of his ability to work and his availability for work, his registration for work, the regularity of his reporting to the employment service in search for work, and generally, by whether he acts as a reasonable person who wanted work would act. Although the worker may meet the eligibility requirements, benefits may still be denied if he is disqualified for an act which would indicate that he is responsible for his own unemployment.

DISQUALIFICATIONS

The disqualifications vary considerably in detail from State to State. Nevertheless, all States disqualify workers for the following reasons: A voluntary quit of work without good cause, discharge for misconduct connected with work, a refusal of suitable work and unemployment attributable to a labor dispute in which the worker is involved. The extent of disqualification varies from State to State. Some States will deny the payment of benefits for a specified number of weeks; others will cancel or reduce the worker's benefit rights. In still other States, denial extends for the duration of unemployment and, often until the worker has met requirements concerning additional earnings.

BENEFITS PAYABLE

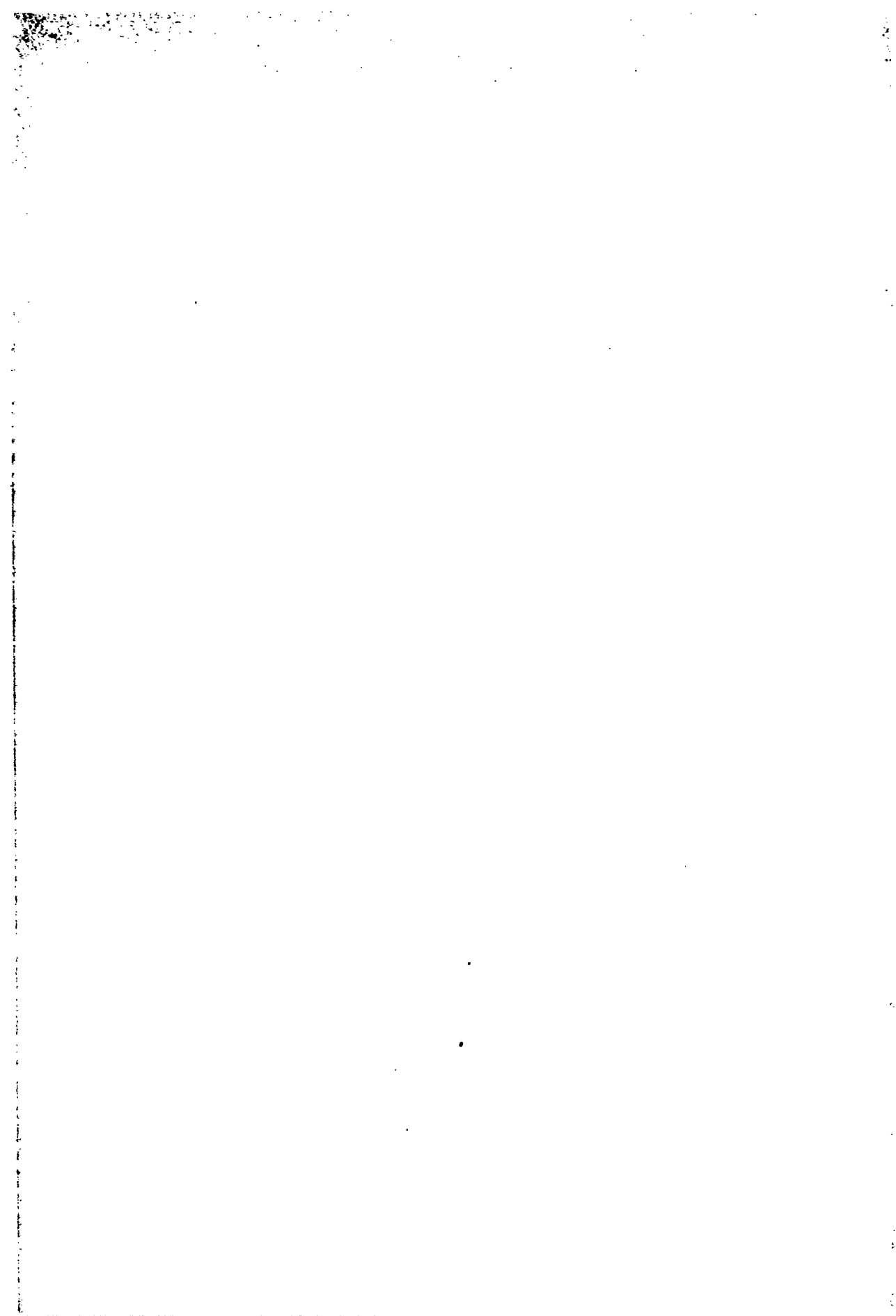
A basic concept in the unemployment insurance program is that the weekly benefit should bear reasonable relationship to the worker's regular wage. The most commonly accepted relationship is 50 percent of the regular wage, within limits set by minimum and maximum benefit amounts. Various methods are used to establish the amount of the regular wage, and the relationship of benefits to it; there is also a wide range in the maximum weekly benefit amounts paid. Most commonly, the weekly benefit amount represents a specified fraction of the individual's wages during that quarter of the base period in which he earned the most. Since there are 13 weeks in a quarter, a weekly benefit of one twenty-sixth of a quarter's earnings would represent half of weekly wages for workers who experience no unemployment during the quarter. A larger fraction allows for some unemployment during the quarter.

In 11 States, unemployed workers with certain dependents may receive additional benefits.

The number of weeks of total unemployment in a year for which a worker may be paid is also established by law. In eight States, all workers who qualify for benefits are entitled to a uniform duration. In seven States the duration is 26 weeks of benefits but in Puerto Rico it is 12. The other 44 States pay total benefits fixed by a prescribed proportion of the individual's base period wages or of the weeks of employment in the base period; they also have an overriding maximum—22 to 39 weeks. Some workers, however, may receive fewer than 10 weeks' benefits.

TEMPORARY PROGRAMS

In 1958 and again in 1961, to treat the problem of long-term unemployment resulting from a recession, temporary programs for extending the duration of unemployment benefits during the recession were enacted by the Congress. In 1958, 17 States participated in the federally enacted program (TUC) and 5 other States enacted independent temporary programs. In 1961, all States participated in the Federal program (TEUC). Since 1958 nine States have enacted provisions for automatically extending duration during high levels of unemployment.



PART IV. DESCRIPTION OF THE FEDERAL STATUTES ON UNEMPLOYMENT COMPENSATION

The basic Federal statute dealing with the unemployment insurance system is the Federal Unemployment Tax Act which is chapter 23 of the Internal Revenue Code of 1954. This is contained from pages 379 to 397 in "Compilation of the Social Security Laws Through December 31, 1965." Basically, the law provides a Federal tax on the employer of 3.1 percent on the first \$3,000 of the annual wage of each worker in "covered" employment. It is provided, however, that if the employer is subject to an approved State unemployment insurance law, then his net Federal tax is 0.4 percent.

The remaining statutory provisions dealing with unemployment compensation are contained in several titles of the Social Security Act. Title III of that act ("Compilation of the Social Security Laws," pp. 146-148) contains the provisions dealing with grants to the States for unemployment compensation administration. All of the taxes collected by the States for unemployment compensation are placed in the unemployment trust fund in the Federal Treasury where balances are invested in U.S. Government bonds at interest. States may withdraw moneys from this account in this trust fund as needed but only to pay benefits. Other provisions relating to the handling of the unemployment trust fund are contained in title IX of the Social Security Act ("Compilation of the Social Security Laws," pp. 181-191).

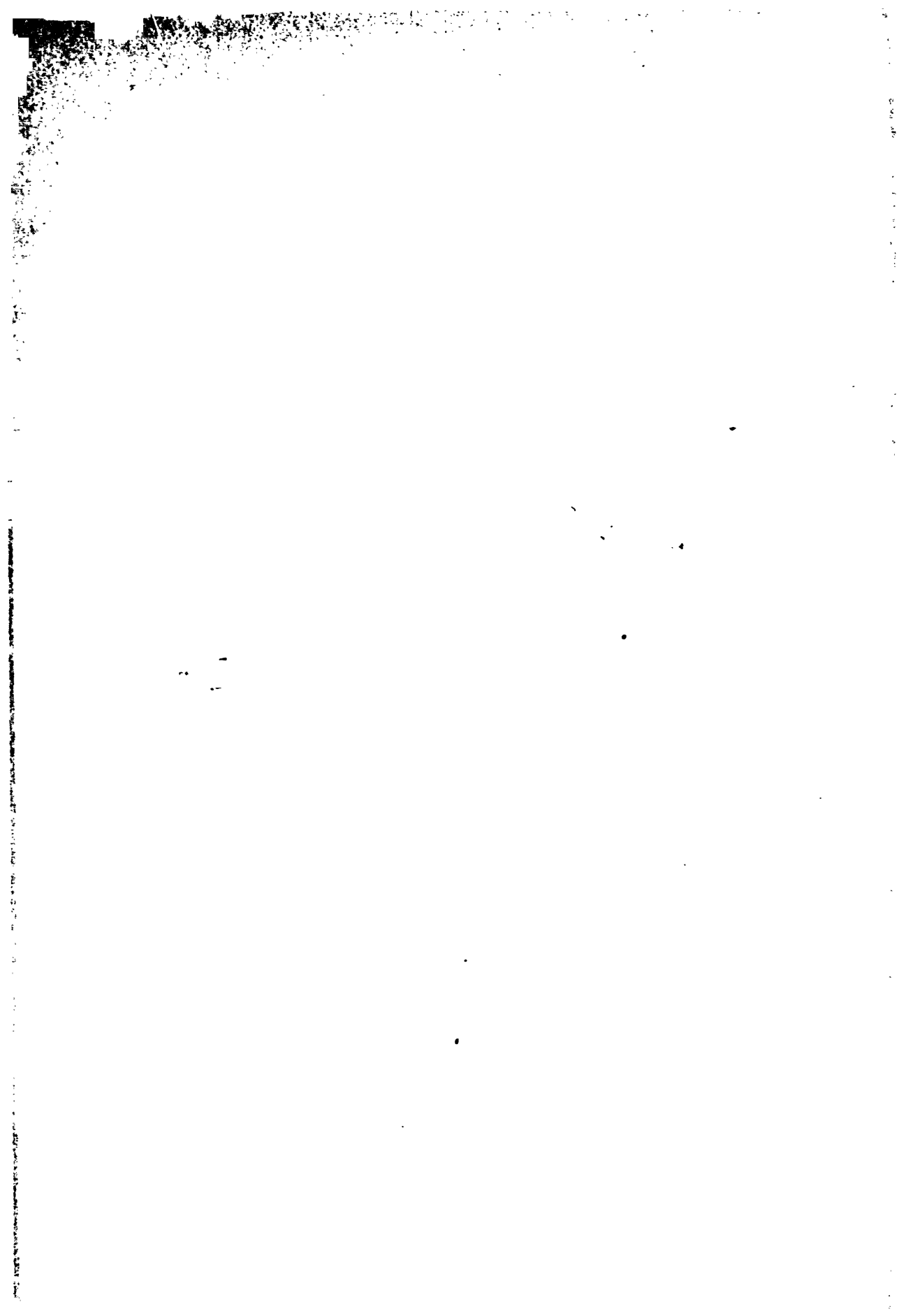
Title XV of the Social Security Act deals with two unemployment compensation programs covering employees of the Federal Government and ex-servicemen. The Federal Government as the employer does not make a current payroll tax contribution but does cover the cost of these programs as benefits are paid out through the State offices.

THE REQUIREMENTS IMPOSED ON STATE PROGRAMS

The entire Federal law dealing with unemployment compensation constitutes an incentive to the States to provide an unemployment compensation program. If a particular State did not wish to have unemployment insurance, its employers, in covered industries, would still have to pay the 3.1 percent Federal tax and their workers would obtain no benefits.

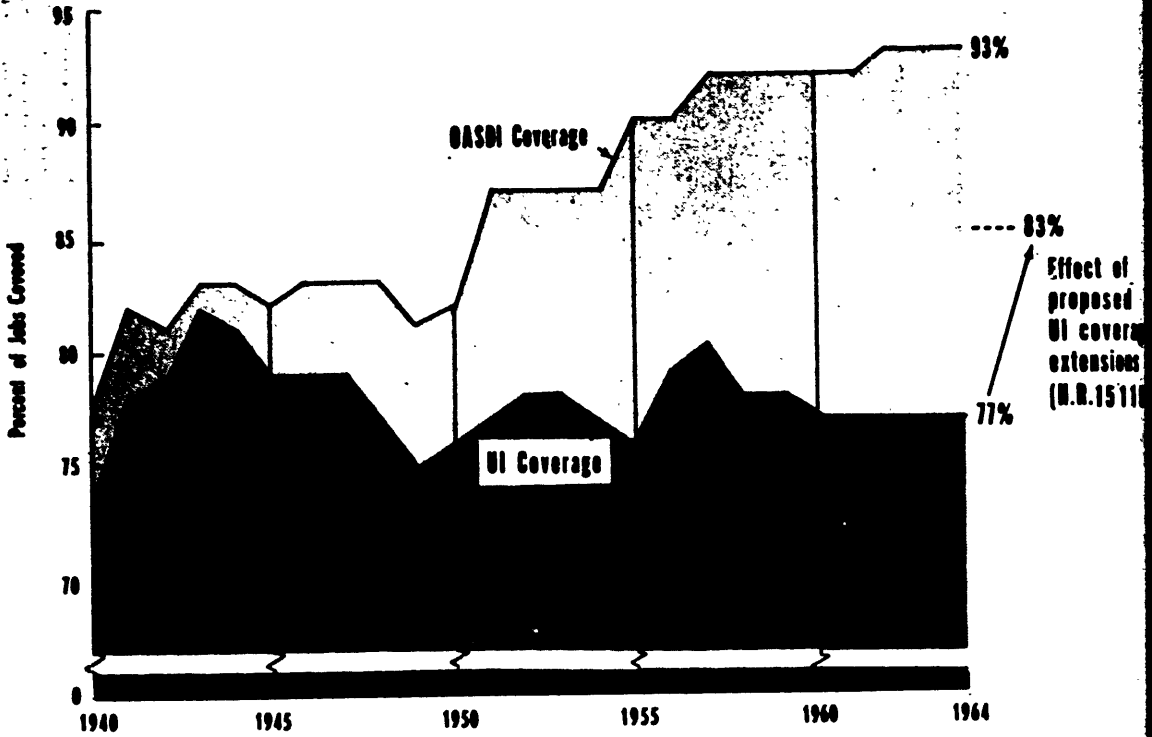
The Federal law contains several provisions which impose more specific requirements on the State programs. The requirements contained in section 3304 of the Internal Revenue Code ("Compilation of the Social Security Laws," pp. 387-388) are the conditions that must be met to obtain the Secretary's approval of the State law which is necessary if the employers in the State are to obtain a credit against the Federal tax. Most of the specific requirements of section 3304(a) deal with administrative procedures with respect to unemployment funds and benefit payments. Section 3304(a)(5) contains several other requirements as to the State laws. Specifically, it provides that compensation may not be denied to an unemployed worker for refusing to accept new work (1) if the position offered is vacant due to a labor dispute, (2) if the wages or other working conditions offered are substantially less favorable to the worker than those prevailing locally, or (3) if the position offered requires that the worker join a company union or to stay out of a bona fide labor organization.

In addition to the conditions specified in section 3304(a) of the Federal Unemployment Tax Act, section 303 of the Social Security Act ("Compilation of Social Security Laws," pp. 146-148) sets forth the conditions under which the Secretary of Labor may make grants to the State for costs of administration. These provisions generally are aimed at requiring the State to follow administrative procedures which will assure the prompt payment of benefits, to provide a fair hearing for individuals whose claim for benefits are denied, to use moneys in the State's unemployment compensation fund only for unemployment benefits, and to use moneys granted to the State for necessary and proper administrative expenses.



PART V. SELECTED CHARTS AND TABLES

UI has lagged increasingly behind OASDI in the coverage of wage and salary employment*

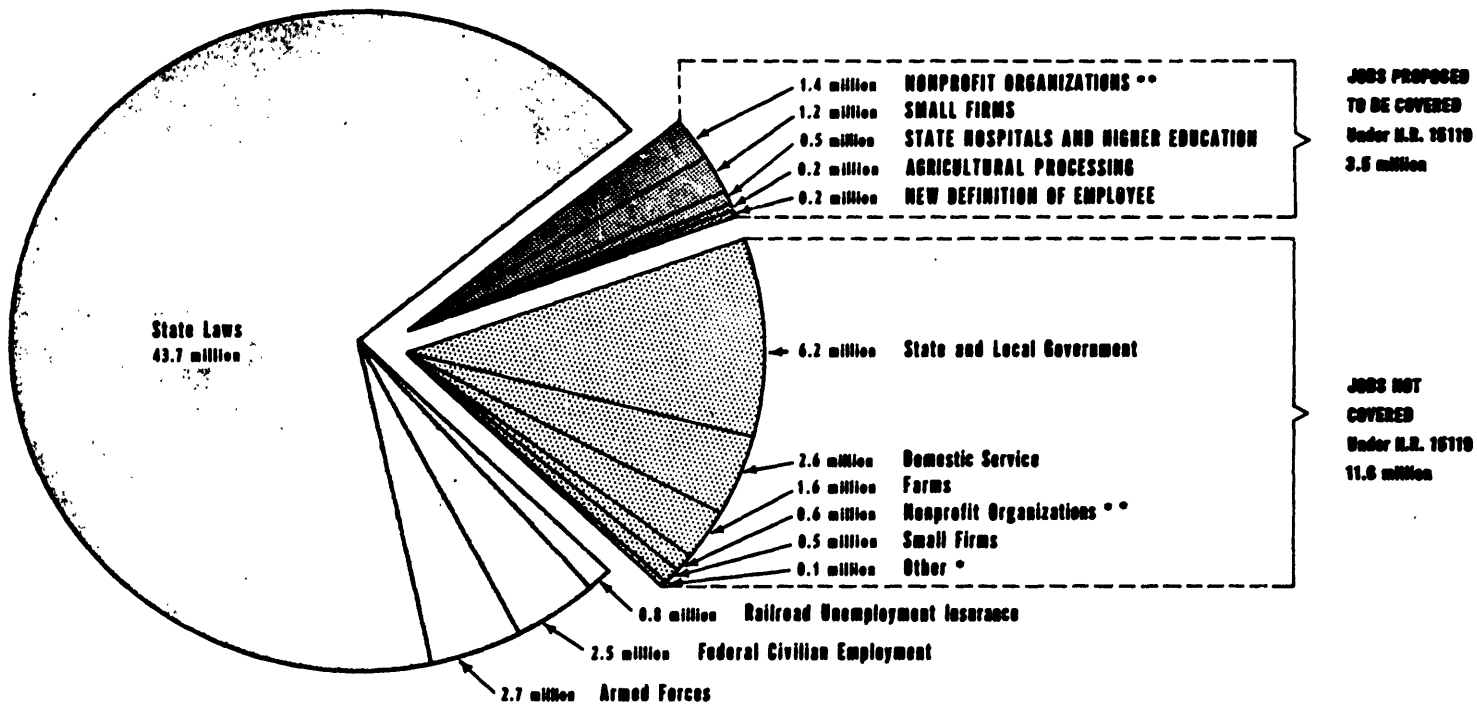


*Excludes civilian and military employment in federal government

CHART 1

PRESENT AND PROPOSED UNEMPLOYMENT INSURANCE COVERAGE OF WAGE AND SALARY EMPLOYMENT

Based on calendar year 1964 data



*Excluded from coverage under definition of employee and agriculture.

**Excludes clergymen and members of religious orders, student nurses, interns, and students employed in schools where enrolled.

CHART 2

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 3.—Beneficiary experience of workers from small and large firms,¹ seven States covering employers of 1 or more workers for various periods

| State | Year | Percent of workers drawing benefits ² | | | Benefits drawn | | | |
|---------------------------|-----------------------|--|-------------|-------------|---------------------------------|-------------|--------------------------|-------------|
| | | Total | Small firms | Large firms | Average weekly benefit (amount) | | Average duration (weeks) | |
| | | | | | Small firms | Large firms | Small firms | Large firms |
| Arkansas..... | 1958..... | 15.0 | 12.5 | 16.0 | \$21.25 | \$21.06 | 11.2 | ... |
| Delaware..... | March 1964..... | 4.5 | 10.0 | 4.1 | 24.07 | 37.65 | 9.0 | ... |
| District of Columbia..... | Fiscal year 1959..... | 6.0 | 7.2 | 8.9 | (?) | (?) | ... | ... |
| Idaho..... | 1958..... | 19.5 | 33.1 | 17.8 | 31.45 | 35.76 | 12.3 | ... |
| Idaho..... | Fiscal year 1963..... | 17.9 | 30.8 | 16.4 | 31.85 | 35.20 | 12.1 | ... |
| Montana..... | Fiscal year 1959..... | 25.5 | 55.8 | 21.7 | 24.48 | 28.15 | 16.1 | ... |
| Utah..... | 1958..... | 13.9 | 20.2 | 13.3 | 29.46 | 32.08 | 11.1 | ... |
| Utah..... | 1964..... | 15.1 | 19.2 | 14.7 | 35.98 | 36.94 | 13.8 | ... |
| Washington..... | Fiscal year 1959..... | 24.1 | 17.7 | 24.7 | 28.18 | 30.73 | 12.5 | ... |

¹ In this table, "small firms" are firms with fewer than four workers and "large firms" those with 4 or more, except for Idaho, in which small firms are those with taxable payrolls under \$10,000 for the year.

² Based on the relationship between the number of covered workers in a month and the number of beneficiaries during the year.

³ Comparable data not available.

Source: BES; data for other States covering small firms are not available.

TABLE 4.—Distribution of States by minimum size of firms covered under State unemployment insurance laws, selected data 1937-66

| Size of firm coverage (number of workers) ¹ | Number of States with specified size-of-firm coverage on— | | | | | | Size of firm coverage (number of workers) ¹ | Number of States with specified size-of-firm coverage on— | | | | | |
|--|---|---------------|---------------|---------------|---------------|--------------|--|---|---------------|---------------|---------------|---------------|--------------|
| | Dec. 31, 1937 | Dec. 31, 1945 | Dec. 31, 1950 | Dec. 31, 1955 | Dec. 31, 1960 | July 1, 1966 | | Dec. 31, 1937 | Dec. 31, 1945 | Dec. 31, 1950 | Dec. 31, 1955 | Dec. 31, 1960 | July 1, 1966 |
| Total.. | 51 | 51 | 51 | 51 | 51 | 52 | 5 or more.... | 1 | 0 | 0 | 0 | 0 | 0 |
| 8 or more.... | 31 | 23 | 23 | 0 | 0 | 0 | 4 or more.... | 6 | 7 | 7 | 29 | 27 | ... |
| 7 or more.... | 1 | 0 | 0 | 0 | 0 | 0 | 3 or more.... | 2 | 2 | 2 | 3 | 4 | ... |
| 6 or more.... | 0 | 2 | 2 | 0 | 0 | 0 | 2 or more.... | 0 | 0 | 0 | 1 | 0 | ... |
| | | | | | | | 1 or more.... | 10 | 17 | 17 | 18 | 20 | ... |

¹ In most States, specified number of workers must be employed for a stated period during a calendar year (usually 20 weeks). In some States the size of an employer's payroll is an alternative, additional, or sole factor in establishing whether or not he is subject.

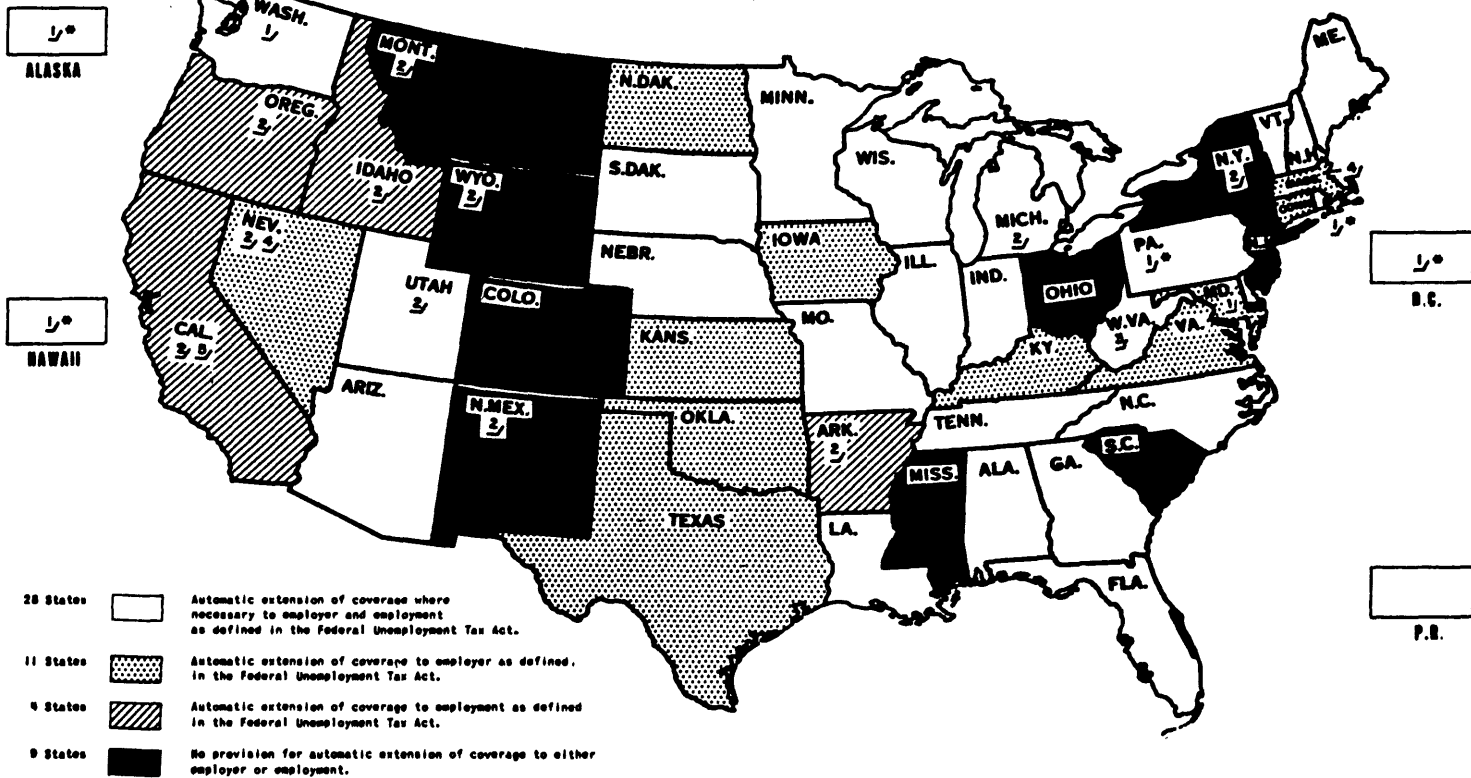
² Includes Kansas: also employers with 25 workers in 1 week; and Kentucky: also employers with 4 workers in 3 quarters of preceding year and \$50 per quarter for each worker.

³ Federal law amended in 1954 reducing minimum size of firm subject to coverage from 8 or more to 4 or more.

⁴ Includes West Virginia: also employers with 10 workers in 3 weeks.

⁵ Includes Minnesota: services for employers not subject to Federal unemployment tax and located outside the corporate limits of a city, village, or borough of 10,000 population are excluded; and New Mexico: employers with \$450 quarterly payroll, or 2 in 13 weeks.

Most States Have Provisions for Automatic Extension of Coverage to Employer or Employment As Defined in the Federal Unemployment Tax Act



1/ State now covers 1 or more workers at any time.

* Alaska, District of Columbia, Hawaii, Pennsylvania, and Rhode Island have no provision for automatic extension of coverage to employer as defined in the FUTA but already cover such workers.

2/ State law covers 1 or more workers in 20 weeks (or shorter period) or with small payroll. Arkansas, California, Montana, New Mexico, New York, Oregon, and Wyoming have no provision for automatic extension of coverage to employer as defined in the FUTA but already cover such workers (in 20 weeks, etc.). Adoption of that definition would affect few new firms.

3/ Automatic extension for employment except agricultural labor or domestic services (West Virginia).

4/ Automatic extension for employment limited to insurance agents and insurance solicitors (Massachusetts); nonprofit organizations (Nevada).

5/ Automatic extension only for employment in domestic service in local college club or chapter or college fraternity; service not in course of employer's trade or business; income-tax-exempt organizations; students employed by school, college, university; foreign governments and instrumentalities of foreign governments; student nurses (California).

Note: This chart does not indicate those states which have extended coverage to employment not defined as such in the FUTA.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

CHART 5

TABLE 6.—Average employment in nonprofit organizations (not covered by unemployment insurance) and in State government hospitals and institutions of higher education (coverage proposed by H.R. 15119)

| Type of activity | Nonprofit organizations | | | Selected State government activities | | | Total coverage proposed (public and private) (thousands) |
|---|---|------------------------------|-----------------------------------|---|------------------------------|-----------------------------------|--|
| | Total employment (thousands) ¹ | Proposed coverage | | Total employment (thousands) ¹ | Proposed coverage | | |
| | | Estimated number (thousands) | Percent of employment in activity | | Estimated number (thousands) | Percent of employment in activity | |
| Total..... | 1,985 | 1,413 | 71 | 745 | 536 | 74 | 1,985 |
| Hospitals..... | ¹ 1,040 | ² 995 | 95 | ³ 383 | ³ 337 | 88 | 1,380 |
| Nursing homes..... | 70 | ² 65 | 95 | | | | |
| Institutions of higher education..... | ⁴ 340 | ⁵ 199 | 58 | ⁶ 308 | ⁶ 199 | 55 | |
| Elementary and secondary schools..... | 180 | 0 | 0 | | | | |
| Libraries and museums..... | 20 | ⁷ 19 | 95 | | | | |
| Nonprofit educational and scientific research agencies..... | 80 | ⁷ 65 | 95 | | | | |
| Charitable organizations..... | 100 | ⁷ 95 | 95 | | | | |
| Religious organizations..... | ⁸ 195 | 0 | 0 | | | | |

¹ Data on nonprofit employment were derived from 1964 OASDI covered employment adjusted for State UI coverage; State government employment from "Distribution of Public Employment," 1964, Bureau of the Census, U.S. Department of Commerce.
² Excludes student nurses and interns.
³ Excludes physicians, surgeons, and all other doctors.

⁴ Excludes students employed in colleges.
⁵ Excludes faculty and administrative officers.
⁶ Excludes clergymen and members of religious orders.
⁷ Represents coverage of 4 or more in 20 weeks. Estimate based on size-of-firm distribution by industry in "County Business Patterns" 1964, Bureau of the Census, U.S. Department of Commerce.

TABLE 7.—Status of State unemployment insurance laws, July 1966, under a standard that requires denial of benefits unless claimant has worked since beginning of a prior benefit year

| State | Law appears to meet standard by reason of its provisions on— | | Law appears not to meet standard (26 States) | State | Law appears to meet standard by reason of its provisions on— | | Law appears not to meet standard (26 States) |
|---------------------------|---|--|--|---------------------|---|--|--|
| | Wages or employment required to establish a 2d benefit year (15 States) | Base period lag ¹ (11 States) | | | Wages or employment required to establish a 2d benefit year (15 States) | Base period lag ¹ (11 States) | |
| Alabama..... | 8 times wba since start of prior benefit year. | | | Missouri..... | 5 times wba since start of prior benefit year. ³ | | |
| Alaska..... | | | X | Montana..... | | | X |
| Arizona..... | | X | X | Nebraska..... | | X | X |
| Arkansas..... | | | X ² | Nevada..... | | | X |
| California..... | \$720 in prior benefit year. | | X ² | New Hampshire..... | | X | X |
| Colorado..... | | | X ² | New Jersey..... | | | X |
| Connecticut..... | | | | New Mexico..... | | X | X ¹ |
| Delaware..... | 10 times wba since start of prior benefit year. | | | New York..... | | | |
| District of Columbia..... | do. | | X | North Carolina..... | 10 times wba since start of prior benefit year. | | |
| Florida..... | | | | North Dakota..... | | | |
| Georgia..... | 8 times wba ⁴ since start of prior benefit year. | | | Ohio..... | | X | X |
| Hawaii..... | | X | X ² | Oklahoma..... | | | X |
| Idaho..... | | | X ² | Oregon..... | | | |
| Illinois..... | | | X ² | Pennsylvania..... | 10 times wba since start of prior benefit year. | | |
| Indiana..... | \$300 in last 2 quarters of base period. | | | Puerto Rico..... | | X | X |
| Iowa..... | | | | Rhode Island..... | | | X ¹ |
| Kansas..... | 8 times wba since start of prior benefit year. | | | South Carolina..... | | | |
| Kentucky..... | 8 times wba in last 2 quarters of base period. | | | South Dakota..... | 4 times wba since start of prior benefit year. | | |
| Louisiana..... | | | X | Tennessee..... | do. | | |
| Maine..... | | | X | Texas..... | | | X |
| Maryland..... | 10 times wba since start of prior benefit year. ⁴ | | | Utah..... | | X | |
| Massachusetts..... | | X | | Vermont..... | | X | |
| Michigan..... | | X | | Virginia..... | | | X |
| Minnesota..... | 4 times wba in last 2 quarters of base period. | | | Washington..... | | | X |
| Mississippi..... | | | X | West Virginia..... | | X | X |
| | | | | Wisconsin..... | | X | X |
| | | | | Wyoming..... | | | X |

¹ Law provides no lag or too short a lag between base period and benefit year to allow claimant to meet the qualifying requirement to establish a benefit year.

² Law fails to meet standard only with respect to claimants eligible for the maximum weekly benefit amount who, with only a few weeks of work in the lag period, can establish a 2d benefit year.

³ State's requalifying requirement basically meets standard but, because of certain details, does not entirely preclude a 2d benefit year without some work since the beginning of a prior benefit year.

⁴ In insured work.

⁵ Or 10 times wba in noncovered work.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 8.—Disqualifications provided under State unemployment insurance laws, selected issues, July 1968

| State | (1) Voluntary leaving | (2) Discharge for misconduct (gross misconduct italicized) | (3) Refusal of suitable work | Special provisions for— | |
|---------------------------|--|--|--|-------------------------|---------------------------------|
| | | | | Preg-nancy | Marital or domestic obligations |
| Alabama..... | Duration of unemployment; all benefit rights canceled. | Week of act plus 3 to 6 weeks; benefits reduced. <i>Benefit rights based on any work involved canceled.</i> | Date of disqualifying act plus 6 to 10 weeks. | Yes..... | No. |
| Alaska..... | Week of act plus 5 weeks..... | Same as col. (1)..... | Same as col. (1)..... | Yes..... | Yes. |
| Arizona..... | Week of act plus 4 weeks; benefits reduced by 4 times wba. | do..... | Week of act plus 1 to 5 weeks..... | No..... | No. |
| Arkansas..... | 8 weeks in which claimant is otherwise eligible or earns wages equal to his wba. | Same as col. (1); <i>duration of unemployment plus 10 weeks at weekly wages equal to wba.</i> | Same as col. (1)..... | Yes..... | Yes. |
| California..... | Duration of unemployment plus 5 times wba; claimant must meet reporting and registration requirements each week. | Same as col. (1)..... | 2 to 10 weeks in which claimant meets reporting and registration requirements; 1 to 5 weeks added for successive disqualifications. | No..... | Yes. |
| Colorado..... | Duration of unemployment and until claimant earns qualifying wages; half or all of prior wage credits may be canceled under "award" system. | do..... | Same as col. (1)..... | Yes..... | Yes. |
| Connecticut..... | Week of act plus 4 weeks..... | do..... | do..... | Yes..... | No. |
| Delaware..... | Duration of unemployment..... | do..... | do..... | Yes..... | No. |
| District of Columbia..... | Week of act plus 4 to 9 weeks; benefits reduced. | do..... | do..... | Yes..... | No. |
| Florida..... | Week of act plus 1 to 12 weeks; duration of unemployment plus 10 times wba. (Both disqualifications imposed.) | do..... | Week of act plus 1 to 5 weeks; duration of unemployment plus 10 times wba. (Both disqualifications imposed.) Benefit duration may be reduced by 1 to 3 weeks. | No..... | No. |
| Georgia..... | 5 to 9 weeks beginning week claim is filed; benefits reduced. | 5 to 11 weeks beginning week claim is filed; benefits reduced. | Same as col. (1)..... | Yes..... | No. |
| Hawaii..... | Week of act plus 2 to 7 weeks..... | Same as col. (1)..... | do..... | Yes..... | Yes. |
| Idaho..... | Duration of unemployment plus 8 times wba. | do..... | do..... | Yes..... | Yes. |
| Illinois..... | Duration of unemployment plus 6 times wba. Claimant must meet able-and-available requirements. | Same as col. (1). <i>Benefit rights based on any work involved canceled.</i> | 6 weeks beginning with week claim is filed or until claimant accepts bona fide work with wages equal to his wba. Claimant must meet able-and-available requirements. | Yes..... | Yes. |
| Indiana..... | Duration of unemployment plus 10 times wba. | Duration of unemployment plus 10 times wba. <i>Benefit rights based on any work involved canceled.</i> | Duration of unemployment plus 10 times wba in covered work. | Yes..... | Yes. |
| Iowa..... | Duration of unemployment. Benefit rights based on any work left canceled. | 4 to 9 weeks after filing claim. Benefits reduced. | Duration of unemployment. Prior wage credits canceled. | No..... | No. |
| Kansas..... | Week of act plus 6 weeks..... | Week of act plus 6 weeks. <i>Duration of unemployment plus 3 times wba.</i> | Week of act plus 6 weeks..... | Yes..... | Yes. |
| Kentucky..... | Duration of unemployment..... | 6 to 16 weeks after filing claim. <i>Duration of unemployment.</i> | 1 to 16 weeks..... | No..... | Yes. |
| Louisiana..... | Duration of unemployment plus 10 times wba. | Same as col. (1). <i>Benefit rights based on any work involved canceled.</i> | Same as col. (1)..... | Yes..... | No. |
| Maine..... | Week of act plus 12 weeks or earnings of 8 times wba. | Same as col. (1). <i>Duration plus \$400 in wages.</i> | Duration of unemployment plus 8 times wba. | Yes..... | Yes. |
| Maryland..... | Week of act plus 1 to 9 weeks or duration of unemployment plus 10 times wba, at discretion of agency. | Same as col. (1). <i>Duration of unemployment plus 10 times wba.</i> | Week of act plus 1 to 10 weeks or duration of unemployment plus 10 times wba, at discretion of agency. | Yes..... | No. |
| Massachusetts..... | 4 to 10 weeks beginning with week for which claim is filed. | Same as col. (1)..... | Week of act plus 1 to 4 weeks. Benefits may be reduced for 1 to 4 times wba. | Yes..... | No. |
| Michigan..... | Week of act plus 6 weeks in each of which claimant must either earn at least \$15.01 or otherwise meet all eligibility requirements. Benefits reduced. | Same as col. (1). <i>Week of act plus 18 weeks.</i> | Same as col. (1). Claimant may be eligible for benefits based on wage credits earned subsequent to refusal. | Yes..... | No. |
| Minnesota..... | 3 to 7 weeks in which claimant is otherwise eligible or earns wages equal to his wba. | Same as col. (1)..... | Week of act plus 3 weeks in which claimant is otherwise eligible or earns wages equal to his wba. | Yes..... | Yes. |
| Mississippi..... | Duration of unemployment plus 8 times wba. | Week of act plus 1 to 12 weeks..... | Same as col. (2)..... | No..... | Yes. |
| Missouri..... | Duration of unemployment plus 10 times wba. | 1 to 8 weeks. <i>All or part of benefit rights based on work involved may be canceled.</i> | Same as col. (1)..... | Yes..... | No. |
| Montana..... | 2 to 5 weeks..... | 2 to 9 weeks. <i>18 months.</i> | Week of act plus 2 to 5 weeks..... | Yes..... | Yes. |
| Nebraska..... | Week of act plus 3 to 7 weeks with benefits reduced. | Same as col. (1). <i>All prior wage credits canceled.</i> | Duration of unemployment. All prior wage credits canceled. | Yes..... | No. |
| Nevada..... | Week of act plus 1 to 15 weeks; week of act plus 4 weeks if left to enter self-employment. | Week of act plus 1 to 15 weeks..... | Week of act plus 1 to 15 weeks..... | Yes..... | Yes. |
| New Hampshire..... | Duration of unemployment plus 3 weeks in covered work at wages of wba plus \$3. | Discharge for intoxication which interferes with work 4 to 26 weeks. <i>4 to 26 weeks and all prior wage credits canceled.</i> | Same as col. (1)..... | Yes..... | No. |

TABLE 2.—Disqualifications provided under State unemployment insurance laws, selected issues, July 1958—Continued

| State | (1) Voluntary leaving | (2) Discharge for misconduct (gross misconduct italicized) | (3) Refusal of suitable work | Special provisions for— | |
|---------------------|---|---|---|-------------------------|---------------------------------|
| | | | | Pregnancy | Marital or domestic obligations |
| New Jersey..... | Duration of unemployment plus 4 times wba. | Week of act plus 5 weeks..... | Week of act plus 3 weeks..... | Yes..... | No. |
| New Mexico..... | Week of act plus 1 to 12 weeks with benefits reduced. | Same as col. (1)..... | Same as col. (1)..... | No..... | No. |
| New York..... | Duration of unemployment plus 3 days' work in each of 4 weeks or \$200. | Same as col. (1). <i>12 months.</i> | do..... | No..... | Yes. |
| North Carolina..... | 4 to 12 weeks beginning with week claim is filed. Benefits reduced. | 5 to 12 weeks beginning with week claim is filed. Benefits reduced. | do..... | Yes..... | No. |
| North Dakota..... | Duration of unemployment plus 10 times wba. | Same as col. (1)..... | do..... | Yes..... | Yes. |
| Ohio..... | Duration of unemployment plus 6 weeks in covered work and 6 times wba. | Same as col. (1). <i>Benefit rights based on any work involved canceled.</i> | do..... | Yes..... | Yes. |
| Oklahoma..... | 6 weeks beginning with week following filing of claim. | Same as col. (1)..... | Week of act plus 6 weeks..... | Yes..... | Yes. |
| Oregon..... | Duration of unemployment plus 4 weeks' work at weekly wages equal to wba or 5 weeks if claimant meets all eligibility requirements. | Same as col. (1). <i>All prior wage credits canceled.</i> | Same as col. (1)..... | Yes..... | Yes. |
| Pennsylvania..... | Duration of unemployment plus 3 times wba. | Same as col. (1)..... | Duration of unemployment..... | Yes..... | Yes. |
| Puerto Rico..... | Week of act plus 3 weeks..... | Same as col. (1)..... | Same as col. (1)..... | No..... | No. |
| Rhode Island..... | Duration of unemployment plus 4 weeks with weekly wages of \$20. | Week of act plus 3 to 10 weeks..... | Week of act plus 5 weeks. Disqualification ends upon return to bona fide employment. | No..... | No. |
| South Carolina..... | 2 to 6 weeks beginning with week claim is filed. Benefits may be reduced. | 6 to 26 weeks beginning with week claim is filed. <i>Benefits may be reduced.</i> | Week of act plus 4 weeks. Benefits may be reduced. For repeated refusals, until reemployed with wages equal to 8 times wba. | No..... | No. |
| South Dakota..... | 4 to 9 weeks of otherwise compensable unemployment. Benefits reduced. | 7 to 24 weeks of otherwise compensable unemployment. Benefits reduced. | 1 to 10 weeks of otherwise compensable unemployment. Benefits reduced. | Yes..... | No. |
| Tennessee..... | Duration of unemployment plus 5 times wba in covered work. | Same as col. (1). <i>All prior wage credits canceled.</i> | Same as col. (1)..... | No..... | No. |
| Texas..... | 1 to 26 weeks beginning with week following filing of claim. Benefits reduced. | Same as col. (1)..... | 1 to 12 weeks following date of refusal. Benefits reduced. | No..... | No. |
| Utah..... | 2 to 6 weeks beginning with week for which claim is filed. | Week of act plus 1 to 9 weeks. <i>Week of act plus 51 weeks.</i> | Week of act plus 1 to 5 weeks..... | Yes..... | Yes. |
| Vermont..... | 2 to 9 weeks beginning with week following filing of claim. | 6 to 12 weeks beginning with week following filing of claim. | Week of act plus 6 weeks. (No waiting period required.) | Yes..... | No. |
| Virginia..... | Duration of unemployment plus 21 days' work. | Same as col. (1)..... | Same as col. (1)..... | No..... | No. |
| Washington..... | Week of act plus 5 weeks..... | do..... | Duration of unemployment plus 3 weeks' work at weekly wages equal to wba. | Yes..... | No. |
| West Virginia..... | Week of act plus 6 weeks. Benefits reduced by 6 times wba. | Same as col. (1). <i>Duration of unemployment plus 30 days in covered work.</i> | Week of act plus 4 weeks and as many weeks as offer remains open. Benefits reduced. | Yes..... | Yes. |
| Wisconsin..... | Week of act plus 4 weeks with possible cancellation of benefit rights based on work left. | Week of act plus 3 weeks with possible cancellation of benefit rights based on work involved. | Duration of unemployment plus 4 weeks' work and 4 times wba. | Yes..... | No. |
| Wyoming..... | Duration of unemployment plus qualifying wages. All accrued benefits forfeited. | Same as col. (1)..... | Same as col. (1)..... | No..... | No. |

TABLE 9.—Provisions regarding eligibility for unemployment benefits during period of training approved or recommended by State agency, 37 States, July 1968¹

| State | Claimant held available during training | Active search for work not required during training | Not disqualified for refusal to leave training to accept work | State | Claimant held available during training | Active search for work not required during training | Not disqualified for refusal to leave training to accept work |
|-----------------------------------|---|---|---|---------------------------|---|---|---|
| Alaska | X | | X | Nebraska | X | | |
| Arkansas ² | X | X | | New Jersey | | | X |
| California | X | | X | New York | X | | X |
| Connecticut ³ | X | X | X | North Dakota ⁴ | | X | |
| Delaware ⁵ | X | X | | Ohio ⁶ | X | (?) | X |
| District of Columbia ⁷ | X | | X | Pennsylvania | X | | |
| Georgia ⁸ | X | | | Puerto Rico | X | | X |
| Hawaii | X | | X | Rhode Island | X | | X |
| Idaho ⁹ | X | | | Tennessee | X | | |
| Illinois | X | X | | Utah | X | | X |
| Maryland ¹⁰ | X | X | | Vermont ¹¹ | X | X | X |
| Massachusetts | X | | | Washington ¹² | X | X | X |
| Michigan ¹³ | X | X | X | West Virginia | X | | X |
| Missouri ¹⁴ | X | X | X | | | | |

¹ The remaining States do not have statutory provisions or interpretations permitting payment of benefits during approved training.

² In States noted, statute includes an explicit active-search-for-work requirement.

³ Provision limited to training under a program supported by Federal funds or an area vocational program.

⁴ By interpretation of statute, rather than by specific provision.

⁵ Claimant may be disqualified for refusal to accept training.

⁶ Trainee disqualified for voluntary quit if he quits training course without good cause.

⁷ Trainee required to seek and accept suitable work that will not interfere with the training.

TABLE 10.—Selected data on interstate unemployment insurance claims, 1965

| State | Initial interstate claims received as liable State | | Interstate beneficiaries ¹ | | Benefits paid to interstate claimants | |
|----------------------|--|-------------------------------|---------------------------------------|------------------------------|---------------------------------------|------------------------------|
| | Number | Percent of all initial claims | Number | Percent of all beneficiaries | Amount (thousands) | Percent of all benefits paid |
| Total | 606,874 | 5.5 | 196,543 | 4.7 | \$116,843,196 | 5.3 |
| Alabama | 6,133 | 4.8 | 1,329 | 3.1 | 497,875 | 2.1 |
| Alaska | 4,026 | 17.3 | 1,373 | 14.2 | 400,642 | 7.3 |
| Arizona | 13,186 | 13.1 | 3,907 | 11.4 | 1,676,349 | 11.1 |
| Arkansas | 7,489 | 7.5 | 2,267 | 6.7 | 971,803 | 6.1 |
| California | 99,755 | 4.0 | 29,754 | 2.9 | 26,798,419 | 4.5 |
| Colorado | 7,261 | 10.6 | 1,860 | 5.9 | 860,453 | 7.9 |
| Connecticut | 12,531 | 7.0 | 4,499 | 6.1 | 2,967,157 | 8.4 |
| Delaware | 5,790 | 22.4 | 2,033 | 20.1 | 1,080,185 | 21.3 |
| District of Columbia | 7,454 | 22.8 | 2,650 | 17.4 | 1,620,977 | 20.9 |
| Florida | 16,526 | 5.4 | 3,519 | 5.4 | 1,214,555 | 6.9 |
| Georgia | 9,590 | 6.9 | 2,473 | 4.7 | 834,099 | 5.3 |
| Hawaii | 2,420 | 5.4 | 773 | 5.9 | 546,693 | 7.4 |
| Idaho | 4,265 | 11.4 | 1,115 | 5.2 | 496,184 | 5.1 |
| Illinois | 41,566 | 6.1 | 13,698 | 7.3 | 3,278,714 | 9.2 |
| Indiana | 18,494 | 7.7 | 5,513 | 6.6 | 1,943,079 | 7.7 |
| Iowa | 3,928 | 7.0 | 1,003 | 4.5 | 408,246 | 4.0 |
| Kansas | 8,732 | 12.9 | 2,572 | 9.9 | 1,576,253 | 10.7 |
| Kentucky | 6,127 | 3.1 | 1,936 | 3.5 | 907,691 | 4.1 |
| Louisiana | 13,644 | 10.1 | 3,199 | 6.3 | 1,389,026 | 6.8 |
| Maine | 2,564 | 4.8 | 432 | 3.3 | 349,366 | 3.9 |
| Maryland | 13,977 | 6.1 | 4,194 | 6.1 | 1,811,751 | 6.9 |
| Massachusetts | 17,617 | 3.5 | 5,364 | 3.3 | 3,494,966 | 2.3 |
| Michigan | 11,006 | 2.7 | 2,183 | 1.6 | 1,544,959 | 2.6 |
| Minnesota | 7,213 | 5.4 | 2,186 | 3.5 | 1,032,421 | 3.9 |
| Mississippi | 4,262 | 6.2 | 1,118 | 4.6 | 433,638 | 5.7 |
| Missouri | 12,359 | 4.3 | 3,198 | 4.1 | 1,832,852 | 5.1 |
| Montana | 3,650 | 11.5 | 1,254 | 7.9 | 496,259 | 5.1 |
| Nebraska | 4,696 | 13.1 | 1,744 | 9.1 | 821,116 | 6.5 |
| Nevada | 11,406 | 20.6 | 3,536 | 17.1 | 2,182,032 | 19.1 |
| New Hampshire | 2,589 | 7.1 | 789 | 6.6 | 349,355 | 6.3 |
| New Jersey | 21,599 | 3.7 | 6,026 | 2.7 | 4,005,924 | 3.2 |
| New Mexico | 6,185 | 12.1 | 1,894 | 11.0 | 829,905 | 11.5 |
| New York | 65,663 | 4.3 | 24,557 | 4.7 | 21,032,967 | 5.8 |
| North Carolina | 8,697 | 3.1 | 2,674 | 3.3 | 1,074,036 | 4.2 |
| North Dakota | 4,579 | 26.1 | 1,902 | 18.9 | 946,535 | 16.7 |
| Ohio | 20,799 | 4.6 | 6,014 | 3.6 | 2,163,808 | 2.9 |
| Oklahoma | 7,442 | 5.0 | 1,963 | 6.4 | 923,690 | 6.9 |
| Oregon | 10,870 | 6.7 | 2,725 | 5.5 | 1,453,678 | 6.5 |
| Pennsylvania | 24,942 | 2.7 | 7,168 | 2.8 | 3,741,913 | 3.1 |
| Puerto Rico | 982 | .5 | 327 | .5 | 53,736 | .8 |
| Rhode Island | 2,852 | 2.7 | 952 | 2.7 | 434,040 | 3.7 |
| South Carolina | 4,923 | 5.0 | 1,345 | 4.2 | 861,617 | 5.0 |
| South Dakota | 1,872 | 14.7 | 548 | 9.0 | 239,656 | 9.2 |
| Tennessee | 8,426 | 5.5 | 2,468 | 4.9 | 1,457,796 | 6.5 |
| Texas | 23,327 | 5.4 | 7,167 | 6.0 | 2,954,330 | 6.3 |
| Utah | 4,535 | 3.8 | 1,399 | 6.1 | 553,179 | 6.5 |
| Vermont | 2,736 | 11.9 | 619 | 6.2 | 278,353 | 12.7 |
| Virginia | 13,699 | 15.1 | 3,367 | 12.3 | 1,351,606 | 12.7 |
| Washington | 16,716 | 6.1 | 5,335 | 5.8 | 2,574,688 | 6.2 |
| West Virginia | 5,418 | 6.1 | 1,693 | 7.4 | 652,279 | 5.2 |
| Wisconsin | 6,022 | 3.1 | 1,751 | 2.6 | 1,214,264 | 3.5 |
| Wyoming | 3,397 | 25.9 | 638 | 10.4 | 214,355 | 7.6 |

¹ Represents interstate claimants who received at least 1 benefit payment.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 11.—Minimum period of experience required of new employers under State experience-rating provisions

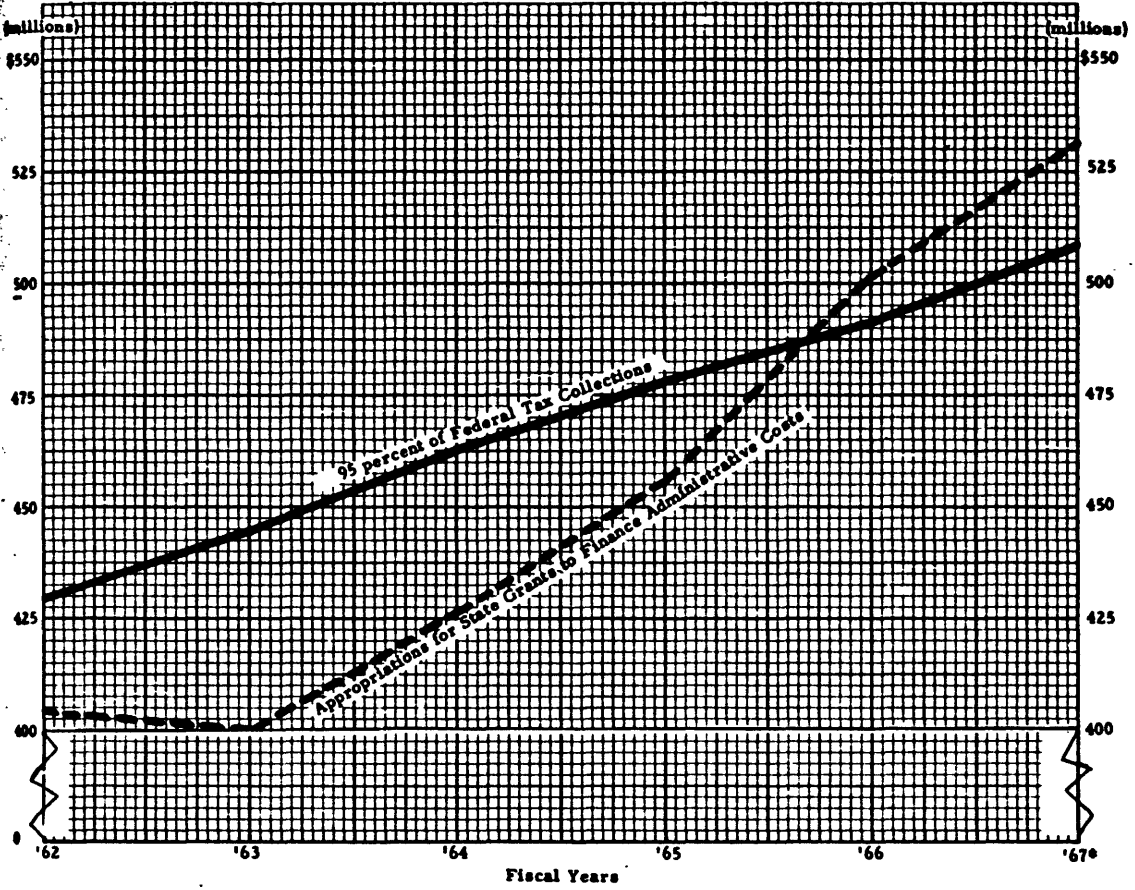
| State | Minimum period of experience required for newly covered employers | | State | Minimum period of experience required for newly covered employers | |
|---------------------------|---|--------------------------------|---------------------|---|--------------------------------|
| | At least 3 years | Less than 3 years ¹ | | At least 3 years | Less than 3 years ¹ |
| Alabama..... | | 1 year. | Montana..... | X | |
| Alaska..... | | Do. ¹ | Nebraska..... | | 1 year. |
| Arizona..... | | Do. | Nevada..... | | 2½ years. |
| Arkansas..... | | Do. | New Hampshire..... | | 1 year. |
| California..... | X | | New Jersey..... | X | |
| Colorado..... | | 18 months. ² | New Mexico..... | X | |
| Connecticut..... | | 1 year. ¹ | New York..... | X | Do. |
| Delaware..... | | 33 months. | North Carolina..... | | Do. |
| District of Columbia..... | X | (?) | North Dakota..... | | Do. |
| Florida..... | X | | Ohio..... | | Do. |
| Georgia..... | | 1 year. | Oklahoma..... | | Do. |
| Hawaii..... | | Do. | Oregon..... | | Do. |
| Idaho..... | | 2 years. ¹ | Pennsylvania..... | | 18 months. ¹ |
| Illinois..... | | 3 years. ¹ | Rhode Island..... | X | |
| Indiana..... | | 36 months. ¹ | South Carolina..... | | 2 years. ¹ |
| Iowa..... | X | | South Dakota..... | | Do. |
| Kansas..... | | 2 years. | Tennessee..... | X | |
| Kentucky..... | X | | Texas..... | | 1 year. |
| Louisiana..... | X | | Utah..... | X | |
| Maine..... | X | | Vermont..... | | Do. |
| Maryland..... | | 1 year. | Virginia..... | | Do. |
| Massachusetts..... | | Do. | Washington..... | | 2 years. ¹ |
| Michigan..... | | 2 years. ¹ | West Virginia..... | X | |
| Minnesota..... | | 1 year. | Wisconsin..... | | 18 months. |
| Mississippi..... | | Do. | Wyoming..... | X | |
| Missouri..... | X | | | | |

¹Period shown is period throughout which employer's account was chargeable or during which payroll declines were measurable. In States noted, requirements for experience rating are stated in the law in terms of subjectivity (Alaska, Connecticut, Indiana, and Michigan); in which contributions are payable (Idaho, Illinois, Pennsylvania, and Washington); coverage

(South Carolina); or, in addition to the specified period of chargeability, contributions payable in the 2 preceding calendar years (Nebraska).

²If employer becomes subject in 3d half of year; otherwise 24 months (Colorado). Covered nonprofit organizations may receive reduced rate after 1 year (District of Columbia).

Under Current Laws State Administrative Costs Are Increasing
Faster Than Federal Tax Collections Available for This Purpose



* Request (President's Budget)

CHART 12

TABLE 13.—Number and percentage of beneficiaries who exhausted benefits and duration of benefits for exhaustees, 1958-60

| Year | All exhaustees | | | Exhaustees receiving benefits for— | | | |
|-----------|--------------------|------------------------------|---------------------------------|------------------------------------|---------------------------|--------------------|---------------------------|
| | Number (thousands) | Percent of all beneficiaries | Average actual duration (weeks) | 26 weeks or more | | Less than 16 weeks | |
| | | | | Number (thousands) | Percent of all exhaustees | Number (thousands) | Percent of all exhaustees |
| 1958..... | 2,899 | 33 | 21.7 | 1,196 | 47 | 387 | |
| 1959..... | 1,785 | 28 | 21.7 | 798 | 44 | 298 | |
| 1960..... | 1,689 | 26 | 21.4 | 853 | 44 | 278 | |
| 1961..... | 2,489 | 31 | 21.8 | 1,103 | 48 | 398 | |
| 1962..... | 1,721 | 28 | 21.6 | 761 | 47 | 305 | |
| 1963..... | 1,654 | 26 | 21.6 | 726 | 48 | 288 | |
| 1964..... | 1,443 | 24 | 21.9 | 659 | 49 | 349 | |
| 1965..... | 1,139 | 23 | 21.3 | 500 | 44 | 309 | |

TABLE 14.—State provisions for temporary extension of benefit duration, July 1966, and periods when extensions were operative, 1961 to June 1966

| State ¹ | Conditions required to initiate extended program | Duration of extended benefits | Periods during which extended benefits were paid |
|---------------------------------|--|-------------------------------|---|
| California..... | Insured unemployment rate averages 6 percent or more for 3-month period..... | 6 to 13 weeks..... | February to November 1961; March to August 1962; April to September 1963; April to September 1964; March to September 1965; February to October 1966. Program has never been in effect. |
| Connecticut..... | Insured unemployment rate is 6 percent or more in 8 of last 10 weeks..... | 5 to 13 weeks..... | January to April 1962; February to July 1963; February to July 1964; March to June 1965. Program has never been in effect. |
| Hawaii..... | Total unemployment rate is 6 percent or more (on a county basis)..... | 13 weeks..... | Program has never been in effect. |
| Idaho..... | Insured unemployment rate is 6 percent or more in prior month and proportion of claimants exhausting is 10 percent higher than average of preceding 7 years..... | 5 to 13 weeks..... | February to April 1961; January to April 1962; February to July 1963; February to July 1964; March to June 1965. Program has never been in effect. |
| Illinois..... | Insured unemployment rate is 5 percent or more in each of 2 consecutive months..... | 5 to 13 weeks..... | January to June 1961; February to July 1962; March to June 1963. Program has never been in effect. |
| North Carolina..... | Insured unemployment rate averages 9 percent or more in 3 of the last 4 weeks..... | 8 weeks..... | Program has never been in effect. |
| Pennsylvania ¹ | Exhaustions during 13-week period exceed 1.75 percent of average monthly covered employment..... | 9 to 15 weeks..... | Do. |
| Puerto Rico ¹ | Unemployment reaches specified levels during 12-month period (on an industry, occupation, or establishment basis)..... | 40 weeks..... | September 1963 to present ¹ |
| Vermont..... | Insured unemployment rate exceeds 7 percent in each of 4 consecutive weeks..... | 13 weeks..... | January to June 1961; March to May 1962; February to May 1963; January to May 1964. |

¹ Temporary extension provisions were included in all these State laws as of 1961, except for Pennsylvania (enacted 1964) and Puerto Rico (enacted 1963).

² In a few industries, occupations, or establishments. Extensions terminated as determined by Puerto Rico Secretary of Labor.

TABLE 15.—States providing regular duration of unemployment insurance protection in excess of 26 weeks, July 1966

| State | Maximum duration (weeks) | Exhaustions ¹ | | Percent of claimants eligible for— ¹ | | State | Maximum duration (weeks) | Exhaustions ¹ | | Percent of claimants eligible for— ¹ | |
|---------------------------|--------------------------|--------------------------|----------------------------|---|------------------|-------------------|--------------------------|--------------------------|----------------------------|---|------------------|
| | | Total | Receiving 26 or more weeks | 26 or more weeks | Maximum duration | | | Total | Receiving 26 or more weeks | 26 or more weeks | Maximum duration |
| Total, all States..... | | 1,065,977 | 600,179 | 46 | 47 | New Mexico..... | 30 | 3,204 | 1,641 | 49 | |
| Total, 19 States..... | | 178,240 | 87,369 | 49 | 38 | Oklahoma..... | 39 | 10,923 | 4,137 | 38 | |
| Alaska..... | 26 | 2,042 | 1,489 | 72 | 72 | Pennsylvania..... | 30 | 42,898 | 31,086 | 72 | |
| District of Columbia..... | 34 | 2,636 | 2,162 | 82 | 31 | Utah..... | 36 | 6,706 | 1,715 | 26 | |
| Louisiana..... | 26 | 16,219 | 4,452 | 28 | 23 | Washington..... | 30 | 25,171 | 13,963 | 55 | |
| Massachusetts..... | 30 | 50,332 | 22,639 | 45 | 37 | Wisconsin..... | 34 | 17,073 | 4,296 | 25 | |

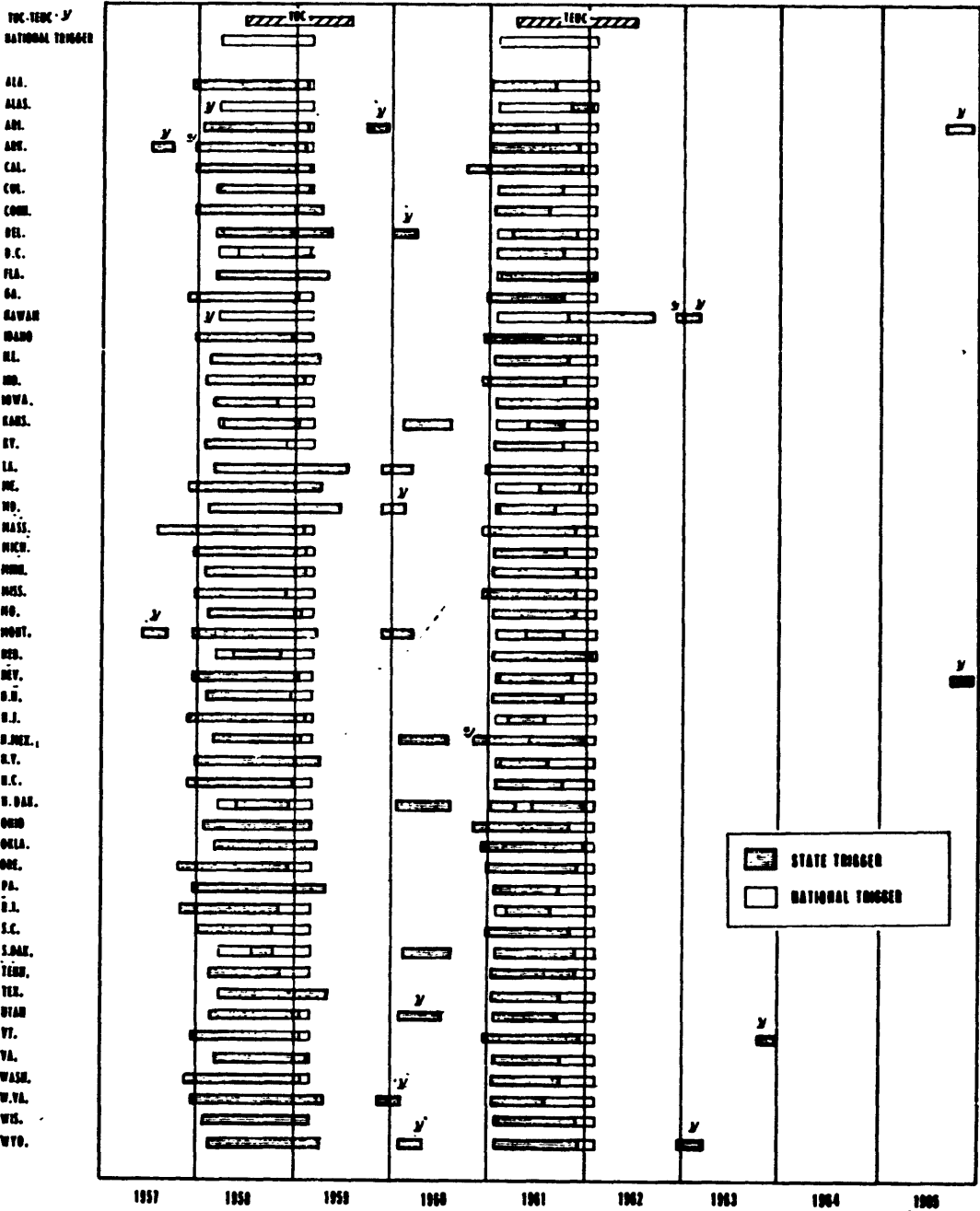
¹ During 12 months ending Dec. 31, 1965.

² Maximum duration of only 26 weeks prior to 1966.

CHART 16

EXTENDED BENEFIT PERIODS UNDER TITLE II OF H.R. 15119

ESTIMATED FOR 1957-1965



1/ Temporary Unemployment Compensation Act (TUC) extended benefits from June 19, 1958, to July 1959; Temporary Extended Unemployment Compensation Act (TEUC) extended benefits from April 1961 to June 1962.

2/ Data for Alaska and Hawaii for 1957-60 not available.

3/ Extended benefit period continued to meet 13-week minimum requirement.

4/ Start of extended benefit period delayed until the 16th week after end of prior extended benefit period.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 17.—Percentage of wages taxable under State UI laws, 1933-65

[Dollar amounts in billions]

| Calendar year ^a | Wages in covered employment | | | Calendar year | Wages in covered employment | | |
|----------------------------|-----------------------------|---------|------------------|---------------|-----------------------------|---------|------------------|
| | Total | Taxable | | | Total | Taxable | |
| | | Amount | Percent of total | | | Amount | Percent of total |
| 1933 | 628.2 | 628.7 | 100 | 1933 | 127.8 | 94.7 | |
| 1934 | 29.1 | 28.4 | 98 | 1933 | 126.2 | 92.6 | |
| 1935 | 22.4 | 20.1 | 90 | 1934 | 137.1 | 92.5 | |
| 1936 | 42.1 | 28.7 | 68 | 1935 | 146.6 | 101.6 | |
| 1937 | 54.8 | 49.7 | 91 | 1936 | 164.5 | 100.8 | |
| 1938 | 66.1 | 59.0 | 89 | 1937 | 173.6 | 112.8 | |
| 1939 | 69.1 | 60.6 | 88 | 1938 | 171.5 | 108.1 | |
| 1940 | 66.6 | 58.5 | 88 | 1939 | 186.9 | 115.2 | |
| 1941 | 72.4 | 62.7 | 87 | 1940 | 184.1 | 119.3 | |
| 1942 | 96.6 | 72.0 | 74 | 1941 | 198.0 | 119.4 | |
| 1943 | 96.1 | 78.5 | 83 | 1942 | 212.6 | 125.5 | |
| 1944 | 93.9 | 76.3 | 81 | 1943 | 223.0 | 126.6 | |
| 1945 | 108.1 | 81.5 | 76 | 1944 | 226.2 | 126.3 | |
| 1946 | 118.7 | 90.3 | 76 | 1945 | 237.9 | 144.0 | |

^a Total wages in covered employment subject to State contributions in all States except Michigan and New York, where \$3,000 base was in effect during all of 1935 and 1939; Delaware, \$3,000 beginning October 1939; and South Carolina, \$3,000 beginning July 1939.

TABLE 18.—Taxable payrolls as percent of total payrolls and average annual earnings of workers covered by the New York State unemployment insurance law, selected industries, 1959-63

| Industry division, group, and branch | Taxable payrolls as percent of total payrolls | | | | Average annual earnings | | | |
|--|---|------|------|------|-------------------------|---------|---------|---------|
| | 1959 | 1960 | 1961 | 1962 | 1959 | 1960 | 1961 | 1962 |
| All industries..... | 58.3 | 57.0 | 54.8 | 54.5 | \$4,153 | \$4,325 | \$5,485 | \$4,600 |
| Manufacturing..... | 56.5 | 54.9 | 53.6 | 52.0 | 4,426 | 4,618 | 5,797 | 4,600 |
| Apparel and other finished fabric products..... | 70.4 | 69.7 | 68.7 | 67.2 | 4,067 | 4,174 | 4,282 | 4,000 |
| Ordinance and accessories..... | 45.4 | 44.7 | 43.2 | 39.8 | 7,227 | 7,227 | 7,406 | 5,000 |
| Instruments; photographic and optical goods..... | 48.2 | 46.8 | 45.6 | 43.5 | 6,504 | 6,727 | 6,975 | 7,000 |
| Other manufacturing..... | 56.1 | 54.7 | 53.5 | 52.5 | 5,391 | 5,575 | 5,744 | 5,000 |
| Tobacco manufactures..... | 60.1 | 57.9 | 56.6 | 55.5 | 7,384 | 7,973 | 7,722 | 5,000 |
| Petroleum refining and related industries..... | 25.3 | 24.9 | 23.9 | 23.3 | 3,817 | 3,186 | 3,701 | 3,000 |
| Leather and leather products..... | 75.5 | 75.1 | 74.5 | 74.0 | 3,636 | 3,711 | 3,788 | 3,000 |
| Nonmanufacturing..... | 59.5 | 58.3 | 57.1 | 56.1 | 4,990 | 5,150 | 5,308 | 4,600 |
| Agriculture, forestry, and fisheries..... | 78.2 | 79.1 | 78.5 | 78.6 | 3,878 | 3,983 | 4,113 | 4,000 |
| Transportation and public utilities..... | 55.2 | 53.2 | 51.9 | 51.0 | 4,796 | 4,167 | 4,323 | 4,000 |
| Pipeline transportation..... | 28.3 | 29.1 | 30.1 | 35.7 | 3,112 | 7,900 | 5,207 | 5,000 |
| Electric, gas and sanitary services..... | 43.9 | 45.3 | 44.0 | 42.2 | 6,272 | 6,726 | 6,943 | 7,000 |
| Wholesale and retail trade..... | 59.6 | 58.7 | 57.8 | 56.7 | 4,622 | 4,788 | 4,984 | 4,600 |
| Wholesale trade..... | 47.4 | 46.6 | 45.8 | 44.5 | 6,522 | 6,726 | 6,830 | 7,000 |
| Retail trade..... | 70.5 | 69.5 | 68.7 | 67.5 | 3,653 | 3,755 | 3,856 | 3,000 |
| General merchandise stores..... | 70.1 | 69.1 | 68.0 | 67.9 | 3,319 | 3,413 | 3,455 | 3,000 |
| Eating and drinking places..... | 53.6 | 52.7 | 52.3 | 51.4 | 2,937 | 3,058 | 3,136 | 3,000 |
| Services..... | 62.6 | 61.5 | 60.7 | 59.6 | 4,464 | 4,612 | 4,739 | 4,600 |
| Hotels and other lodging places..... | 53.6 | 52.5 | 51.5 | 50.1 | 3,160 | 3,308 | 3,360 | 3,000 |
| Miscellaneous business services..... | 52.7 | 51.5 | 51.0 | 50.4 | 5,447 | 5,643 | 5,804 | 4,000 |
| Motion pictures..... | 53.9 | 53.3 | 51.7 | 50.2 | 5,071 | 5,289 | 5,572 | 4,000 |
| Nonprofit membership organizations..... | 55.8 | 54.4 | 52.7 | 51.5 | 4,878 | 5,046 | 5,277 | 4,000 |
| Private households..... | 69.0 | 68.3 | 66.4 | 64.8 | 2,855 | 3,080 | 3,064 | 3,000 |

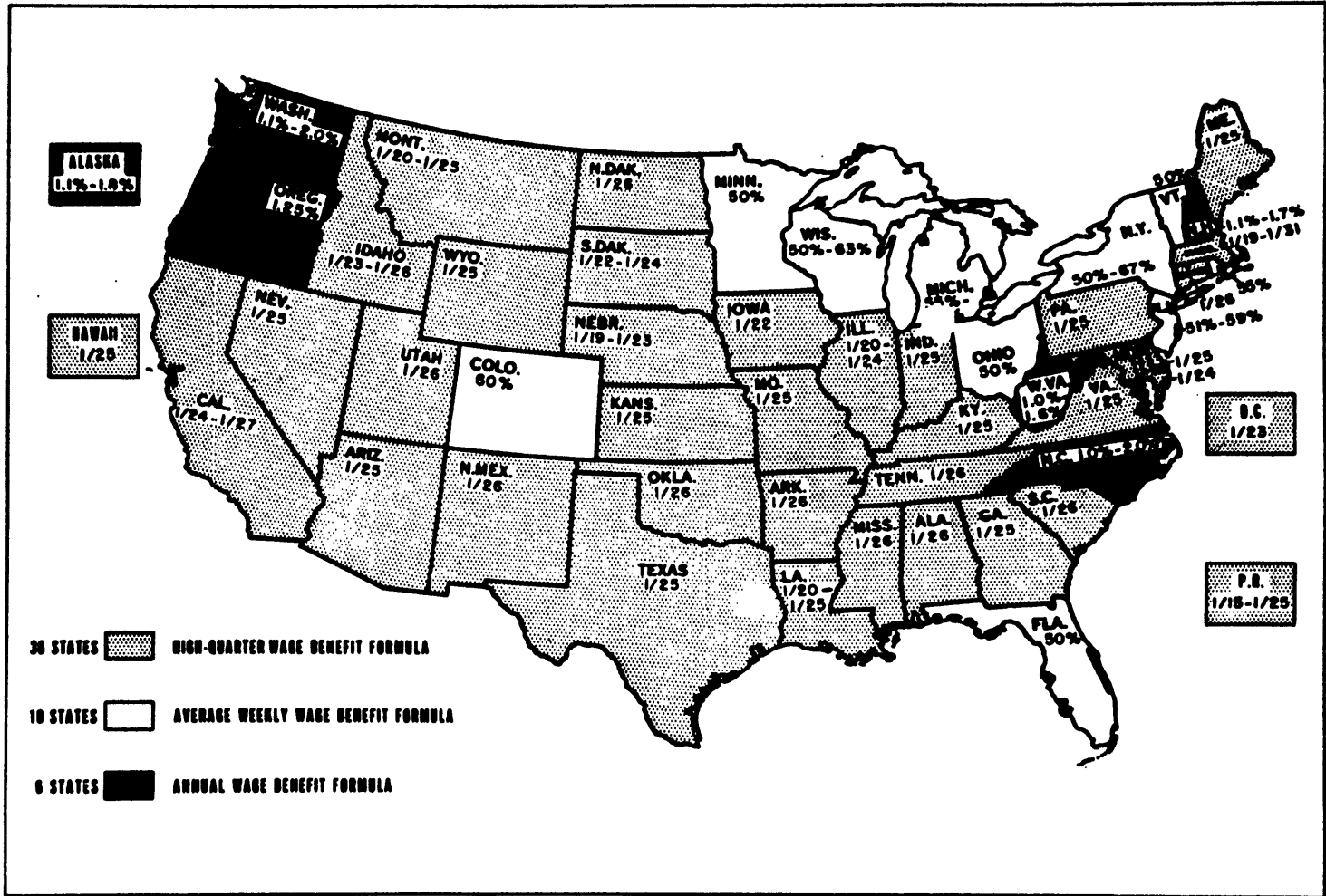
Source: "Industrial Unemployment Insurance Cost Patterns in New York State, 1959-63," New York State Department of Labor, September 1963.

TABLE 19.—Statutory provisions for automatic extension of State's taxable wage limit to the amount provided in Federal Unemployment Tax Act, 28 States,¹ July 1968

| State | State's wage base for calendar 1968 | State—Continued | State's wage base for calendar 1968 |
|---------------------------|--|--------------------|--|
| Alaska..... | \$7,200 | Nebraska..... | \$3,000 |
| Arizona..... | 3,600 | Nevada..... | 3,800 |
| Arkansas..... | 3,000 | New Hampshire..... | 3,000 |
| District of Columbia..... | 3,000 | North Dakota..... | 3,000 |
| Florida..... | 3,000 | Oklahoma..... | 3,000 |
| Georgia..... | 3,000 | Pennsylvania..... | 3,600 |
| Illinois..... | 3,000 | Puerto Rico..... | 3,000 |
| Indiana..... | 3,000 | Rhode Island..... | 3,600 |
| Kentucky..... | 3,000 | South Dakota..... | 3,000 |
| Maine..... | 3,000 | Tennessee..... | 3,300 |
| Maryland..... | 3,000 | Utah..... | 4,200 |
| Minnesota..... | 4,800 | Vermont..... | 3,600 |
| Mississippi..... | 3,000 | West Virginia..... | 3,600 |
| Missouri..... | 3,000 | Wisconsin..... | 3,600 |

The laws in the remaining 24 States do not provide for automatic extension of the wage base to that in the Federal law. In Maryland the automatic provision is applicable only up to \$3,600.

FORMULAS FOR COMPUTING WEEKLY BENEFIT AMOUNT UNDER UNEMPLOYMENT INSURANCE LAWS



RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS
CHART 20

Table 21.—Percentage of claimants eligible for State maximum basic weekly benefit amount, by State, selected years, 1939-45

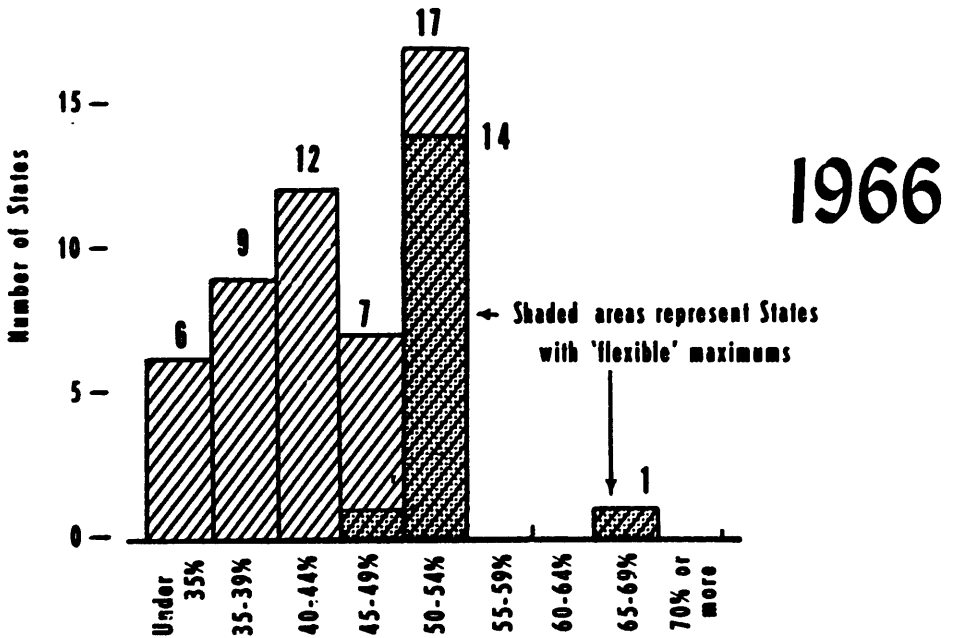
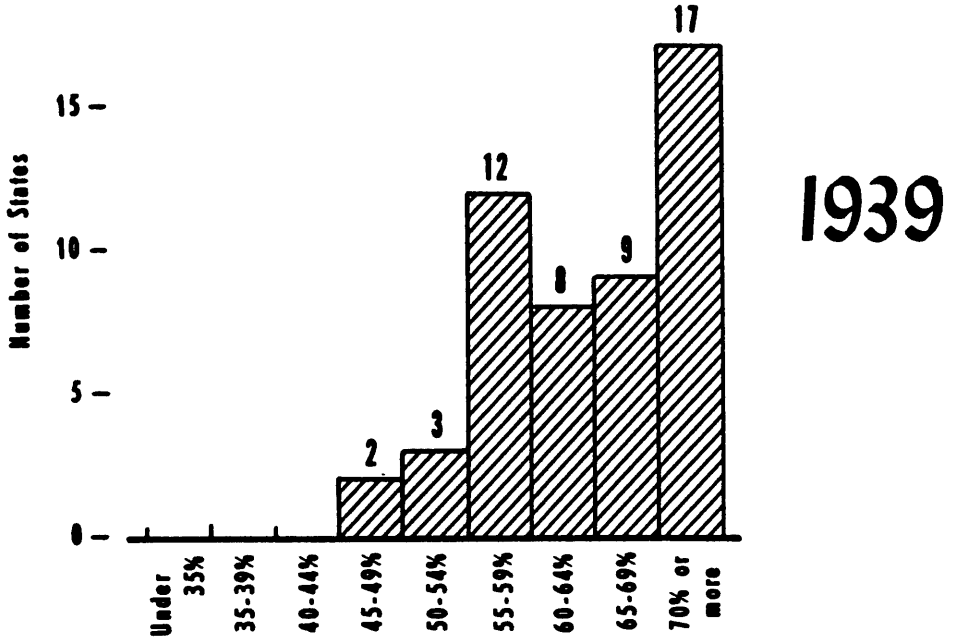
| State | 1939 | 1940 | 1941 | 1942 | State | 1939 | 1940 | 1941 | 1942 |
|----------------------|------|------|------|------|----------------|------|------|------|------|
| Total | 26 | 54 | 47 | 45 | Missouri | 15 | 60 | 54 | 52 |
| Alabama | 7 | 45 | 52 | 51 | Montana | 20 | 60 | 60 | 71 |
| Alaska | 84 | 84 | 52 | 63 | Nebraska | 12 | 60 | 62 | 66 |
| Arizona | 32 | 78 | 65 | 53 | Nevada | 66 | 60 | 62 | 72 |
| Arkansas | 6 | 25 | 34 | 29 | New Hampshire | 18 | 23 | 22 | 31 |
| California | 26 | 60 | 36 | 41 | New Jersey | 22 | 67 | 65 | 54 |
| Colorado | 26 | 58 | 63 | 68 | New Mexico | 24 | 64 | 56 | 55 |
| Connecticut | 18 | 43 | 36 | 44 | New York | 33 | 58 | 34 | 26 |
| Delaware | 14 | 41 | 47 | 57 | North Carolina | 2 | 7 | 13 | 13 |
| District of Columbia | 15 | 46 | 52 | 50 | North Dakota | 17 | 76 | 74 | 64 |
| Florida | 13 | 67 | 46 | 37 | Ohio | 19 | 59 | 71 | 65 |
| Georgia | 5 | 35 | 32 | 42 | Oklahoma | 27 | 63 | 64 | 49 |
| Idaho | 11 | 32 | 25 | 35 | Oregon | 40 | 36 | 63 | 57 |
| Illinois | 29 | 76 | 56 | 48 | Pennsylvania | 31 | 50 | 46 | 43 |
| Indiana | 48 | 71 | 81 | 70 | Puerto Rico | (?) | (?) | (?) | 37 |
| Iowa | 31 | 73 | 58 | 62 | Rhode Island | 17 | 64 | 32 | 39 |
| Kansas | 15 | 65 | 71 | 75 | South Carolina | 3 | 30 | 36 | 23 |
| Kentucky | 28 | 42 | 58 | 52 | South Dakota | 14 | 61 | 66 | 67 |
| Louisiana | 8 | 23 | 46 | 45 | Tennessee | 6 | 34 | 26 | 33 |
| Maine | 13 | 52 | 61 | 66 | Texas | 15 | 56 | 36 | 48 |
| Maryland | 6 | 5 | 23 | 36 | Utah | 26 | 33 | 39 | 50 |
| Massachusetts | 15 | 30 | 50 | 45 | Vermont | 12 | 26 | 35 | 41 |
| Michigan | 21 | 60 | 27 | 38 | Virginia | 9 | 41 | 46 | 45 |
| Minnesota | 53 | 79 | (?) | 74 | Washington | 26 | 32 | 39 | 42 |
| Mississippi | 23 | 14 | 42 | 50 | West Virginia | 9 | 20 | 42 | 39 |
| Missouri | 4 | 26 | 34 | 47 | Wisconsin | 17 | (?) | 46 | 42 |
| Montana | | | | | Wyoming | 53 | 78 | 51 | 59 |

For 1939, represents percentage of weeks of total unemployment compensation of the maximum weekly benefit amount (\$15 or \$16 in Alaska, Michigan, Rhode Island, and Utah, and \$18 in Colorado, Hawaii, Idaho, Louisiana, Wyoming) and therefore understates by small percentage the proportion of insured claimants eligible for the maximum.

(?) Comparable data not available.

(?) No provision for unemployment insurance under Federal-State program.

Maximum Weekly Benefit Amounts Are Relatively Much Lower Than Earlier Levels



Ratio of maximum weekly benefit amount to State average weekly covered wage

CHART 22

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 23.—Maximum weekly benefit amount, July 1966, and maximum as percent of average weekly wage in covered employment in 1965, by State

| State | Average weekly covered wage, 1965 | Maximum weekly benefit amount, July 1966 ¹ | | State | Average weekly covered wage, 1965 | Maximum weekly benefit amount, July 1966 ¹ | |
|---------------------------|-----------------------------------|---|--------------------------------|---------------------|-----------------------------------|---|--------------------------------|
| | | Amount | Percent of average weekly wage | | | Amount | Percent of average weekly wage |
| Alabama..... | \$62.26 | \$38 | 41 | Montana..... | 98.67 | 34 | 35 |
| Alaska..... | 170.86 | \$46-60 | 33-47 | Nebraska..... | 94.67 | 40 | 42 |
| Arizona..... | 105.85 | 43 | 41 | Nevada..... | 119.60 | 41-61 | 34-61 |
| Arkansas..... | 77.88 | 39 | 50 | New Hampshire..... | 92.66 | 49 | 53 |
| California..... | 134.67 | 65 | 52 | New Jersey..... | 119.29 | 50 | 43 |
| Colorado..... | 104.89 | 53 | 50 | New Mexico..... | 97.63 | 36 | 37 |
| Connecticut..... | 115.91 | 50-75 | 43-65 | New York..... | 120.61 | 55 | 46 |
| Delaware..... | 120.94 | 55 | 45 | North Carolina..... | 84.09 | 42 | 50 |
| District of Columbia..... | 110.84 | 55 | 50 | North Dakota..... | 93.45 | 47 | 50 |
| Florida..... | 98.32 | 33 | 34 | Ohio..... | 120.02 | 43-53 | 35-44 |
| Georgia..... | 91.14 | 43 | 47 | Oklahoma..... | 98.78 | 32 | 33 |
| Idaho..... | 98.30 | 42 | 46½ | Oregon..... | 108.61 | 44 | 41 |
| Illinois..... | 94.67 | 50 | 52½ | Pennsylvania..... | 108.62 | 45 | 42 |
| Indiana..... | 120.57 | 42-70 | 35-56 | Puerto Rico..... | 86.65 | 20 | 25 |
| Iowa..... | 114.67 | 40-43 | 35-37 | Rhode Island..... | 98.46 | 45-60 | 50-63 |
| Kansas..... | 100.26 | 50 | 50 | South Carolina..... | 83.09 | 42 | 50 |
| Kentucky..... | 98.58 | 46 | 50 | South Dakota..... | 67.36 | 36 | 41 |
| Louisiana..... | 98.29 | 45 | 46½ | Tennessee..... | 90.21 | 36 | 42 |
| Maine..... | 100.58 | 40 | 40 | Texas..... | 99.43 | 37 | 37 |
| Maryland..... | 86.67 | 45 | 50 | Vermont..... | 99.22 | 50 | 50 |
| Massachusetts..... | 101.59 | 50 | 49 | Virginia..... | 93.47 | 47 | 50 |
| Michigan..... | 104.91 | 60-1 | 48 | Washington..... | 92.56 | 42 | 45 |
| Minnesota..... | 133.80 | 43-72 | 32-54 | West Virginia..... | 116.72 | 42 | 36 |
| Missouri..... | 108.12 | 47 | 44 | Wisconsin..... | 197.53 | 35 | 32 |
| Montana..... | 81.03 | 30 | 37 | Wyoming..... | 110.22 | 58 | 52½ |
| Nebraska..... | 108.85 | 45 | 41 | | 94.38 | 45 | 50 |

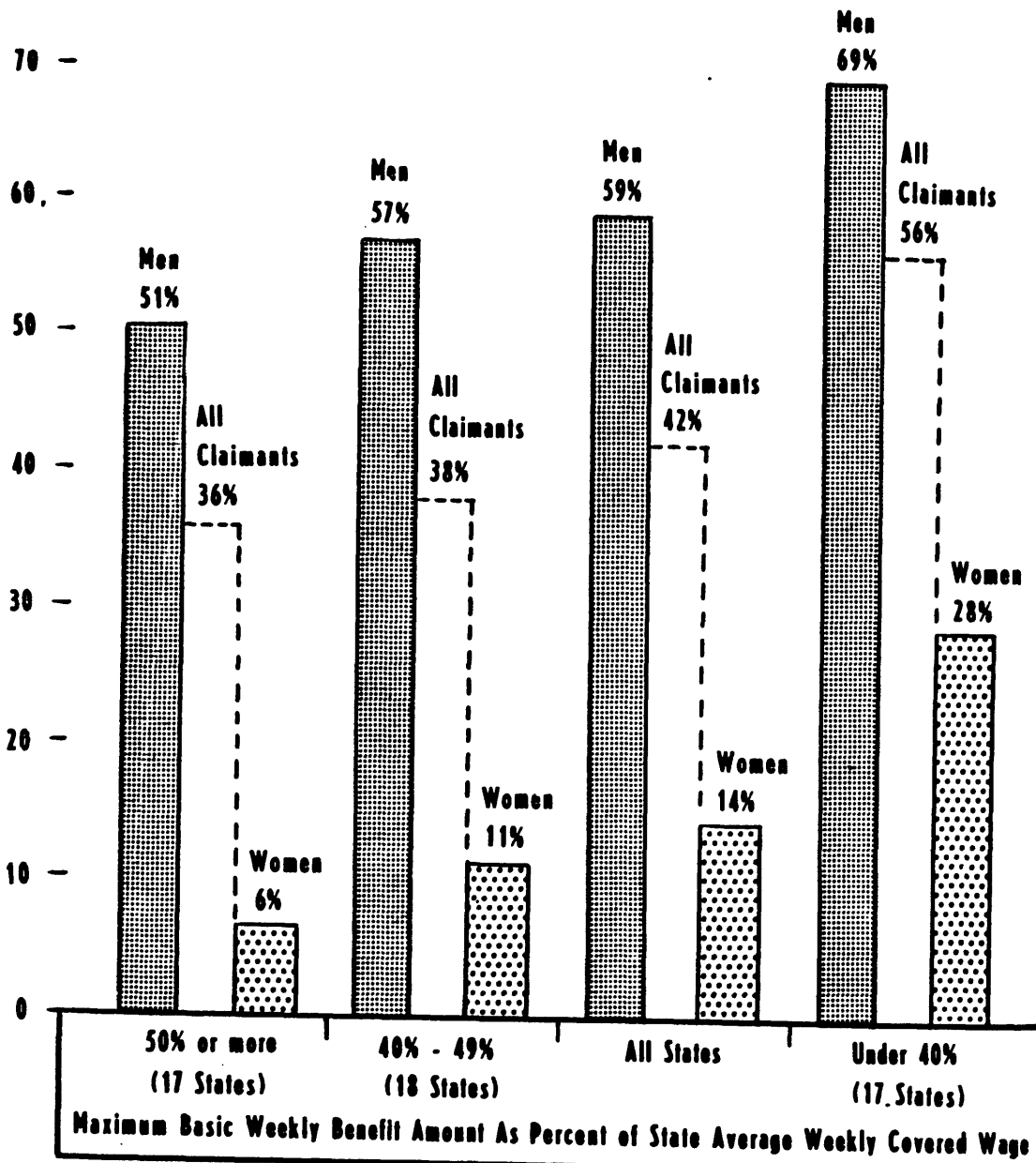
¹ When 2 figures are shown, the higher includes maximum allowance for dependents; in Massachusetts, maximum including dependents' allowances not to exceed claimant's weekly wage.

² In States noted, the maximum is recomputed annually (semiannually in Colorado and Wisconsin) based on a specified percentage of the average

weekly wage in covered employment (selected industries in Colorado). The amounts shown were based on the average weekly wage for calendar year 1965 except in the District of Columbia, Kansas, and Hawaii where the amount was based on the average for 12 months ending June 30, 1965.

Proportion of Claimants Limited by the Maximum Basic Weekly Benefit Amount^{1/}
Under State Unemployment Insurance Laws, October-December 1965

Percent at maximum
80% -



^{1/} Excludes dependents' allowances except in Illinois, Indiana, and Michigan.

TABLE 25.—Entitlement to maximum weekly benefit amount (WBA) for new insured claimants,¹ by sex, by State, October to December 1965

| State | Average weekly wage in covered employment fiscal year 1965 | Maximum WBA ² | | Minimum weekly wage required for maximum WBA ³ | Percent of new insured claimants entitled to maximum basic WBA ⁴ October to December 1965 | | |
|--|--|--------------------------|--|---|--|-----------|-----------|
| | | Amount | Percent of average weekly covered wage | | All claimants | Men | Women |
| Total | \$107.58 | | | | 62 | 59 | 14 |
| Maximum basic WBA of 50 percent or more of average weekly covered wage: | | | | | | | |
| Arkansas | 75.61 | 33 ⁵ | 50 | 57 ⁶ | 28 | 43 | 10 |
| California | 122.49 | 65 | 53 | 128 ⁶ | 37 | 50 | 4 |
| Colorado | 102.36 | 51 | 50 | 84 | 66 | 63 | 19 |
| District of Columbia | 109.04 | 53 | 50 | 92 | 37 | 49 | 12 |
| Hawaii | 96.13 | 54 | 57 | 104 | 31 | 54 | 7 |
| Iaho | 92.44 | 45 | 53 ⁵ | 94 | 56 | 67 | 6 |
| Iowa | 98.07 | 49 | 50 | 83 | 54 | 75 | 15 |
| Kansas | 97.95 | 47 | 50 | 89 | 47 | 63 | 14 |
| New Hampshire | 90.10 | 46 | 54 | (7) | 16 | 26 | 3 |
| North Carolina | 81.59 | 42 | 51 | (7) | 7 | 14 | 7 |
| North Dakota | 92.55 | 48 | 50 | 90 | 64 | 70 | 2 |
| Rhode Island | 98.30 | 47-50 | 50-53 | 84 | 43 | 65 | 19 |
| South Carolina | 80.33 | 40 | 50 | 75 | 24 | 41 | 11 |
| Utah | 97.74 | 45 | 50 | 94 | 54 | 74 | 6 |
| Vermont | 90.24 | 45 | 50 | 89 | 37 | 56 | 10 |
| Wisconsin | 103.05 | 56 | 53 ⁵ | 111 | 55 | 38 | 3 |
| Wyoming | 94.11 | 47 | 50 | 89 | 56 | 78 | 10 |
| Maximum basic WBA of 40 to 49 percent of average weekly covered wage: | | | | | | | |
| Alabama | 90.71 | 38 | 42 | 75 | 37 | 71 | 13 |
| Arizona | 104.76 | 43 | 41 | 81 | 57 | 70 | 25 |
| Connecticut | 114.45 | 50-75 | 44-66 | 99 | 43 | 63 | 12 |
| Delaware | 118.96 | 50 | 42 | 96 | 36 | 54 | 9 |
| Georgia | 88.51 | 35 | 40 | 68 | 43 | 64 | 26 |
| Kentucky | 94.25 | 40 | 42 | 78 | 46 | 68 | 16 |
| Louisiana | 97.98 | 40 | 41 | 75 | 45 | 67 | 19 |
| Maryland | 99.40 | 48 | 48 | 87 | 46 | 68 | 14 |
| Massachusetts | 102.58 | 50-(7) | 49-(7) | 119 | 19 | 35 | 3 |
| Missouri | 108.71 | 45 | 42 | 85 | 41 | 67 | 14 |
| Nebraska | 98.51 | 40 | 43 | 70 | 65 | 86 | 32 |
| New Jersey | 116.96 | 50 | 43 | 99 | 32 | 50 | 8 |
| New York | 118.24 | 55 | 47 | 109 | 31 | 57 | 11 |
| Oregon | 106.05 | 44 | 41 | (7) | 39 | 74 | 1 |
| Pennsylvania | 104.55 | 45 | 43 | 86 | 51 | 76 | 13 |
| South Dakota | 85.91 | 36 | 42 | 65 | 68 | 79 | 26 |
| Tennessee | 88.40 | 38 | 43 | 74 | 34 | 56 | 14 |
| Virginia | 90.22 | 36 | 40 | 68 | 26 | 41 | 6 |
| Minimum basic WBA below 40 percent of average weekly covered wage: | | | | | | | |
| Alaska | 167.91 | 45-70 | 27-42 | (7) | 66 | 72 | 28 |
| Florida | 92.71 | 33 | 36 | 65 | 69 | 69 | 27 |
| Illinois | 117.45 | 42-70 | 36-60 | 78-139 | 54 | 65 | 23 |
| Indiana | 111.98 | 40-43 | 36-38 | 73-81 | 66 | 80 | 29 |
| Maine | 87.19 | 34 | 39 | 79 | 43 | 53 | 20 |
| Michigan | 129.97 | 43-72 | 33-55 | 77-130 | 49 | 63 | 23 |
| Minnesota | 103.96 | 38 | 37 | (7) | 56 | 66 | 31 |
| Mississippi | 77.77 | 30 | 39 | 68 | 51 | 65 | 32 |
| Montana | 94.30 | 34 | 36 | 66 | 70 | 85 | 25 |
| Nevada | 119.23 | 41-51 | 34-51 | 77 | 71 | 83 | 41 |
| New Mexico | 95.98 | 36 | 36 | 63 | 59 | 68 | 22 |
| Ohio | 117.16 | 42-53 | 36-45 | 82 | 70 | 83 | 22 |
| Oklahoma | 98.58 | 32 | 33 | 62 | 47 | 64 | 22 |
| Puerto Rico | 54.63 | 20 | 37 | 38 | 55 | 62 | 45 |
| Texas | 97.45 | 37 | 38 | 70 | 50 | 63 | 24 |
| Washington | 114.07 | 42 | 37 | (7) | 47 | 56 | 16 |
| West Virginia | 105.44 | 35 | 33 | (7) | 42 | 52 | 9 |

¹ Excludes persons claiming benefits under the programs for Federal employees and ex-servicemen.
² Maximum WBA payable during October-December 1965. When 2 amounts are shown the higher includes maximum allowances for dependents in Massachusetts, maximum augmented amount may not exceed claimant's average weekly wage.
³ Figures shown represent the actual average weekly wage (full-time weekly wage in Colorado) required by State law to qualify for the maximum WBA or, where applicable, the amount of wages required in highest quarter divided by 52 weeks. In States basing weekly benefits on amount of annual wages, figures are given owing to lack of comparability.
⁴ Excludes dependents' allowances paid as a supplement to the maximum WBA in Alaska, Connecticut, Massachusetts, Nevada, Ohio, and Rhode Island; includes claimants at the maximum for each family class or in Illinois, Indiana, and Michigan where the maximum WBA varies with the number of dependents.
⁵ Maximum WBA is automatically adjusted annually (semiannually in Colorado and Wisconsin) to the percentage of wages shown; for period of this report, District of Columbia and Kansas last adjusted maximum WBA during 1965 and remaining States in July 1965, based on average weekly wage covered employment during 12-month period ending 6 months prior to active date.
⁶ In California and Massachusetts the maximum WBA is less than 1/2 the minimum weekly wage required to qualify for it (representing 45 and 42 percent, respectively).
⁷ Maximum WBA will be adjusted annually to 66 2/3 percent of wages in

Hawaii and 50 percent in Maine effective Jan. 2 and Apr. 1, 1966, respectively. The fixed maximum in Minnesota will be raised to about 45 percent of wages July 1, 1966. On those dates, Maine and Minnesota will adopt a benefit formula relating claimant's benefit more directly to his weekly wage.
⁸ Amount reflects the higher of 2 maximum WBA's payable during the quarter, the higher becoming effective Oct. 13 in Missouri and Nov. 15 in Nebraska; percentages shown reflect both maximums.
⁹ The higher of the 2 figures shown represents the average weekly wage required to qualify for the maximum WBA including maximum allowances for dependents.
¹⁰ Represents percent of beneficiaries (1st payments) at maximum WBA in Illinois, Michigan, and New York.
 NOTE.—A weekly benefit equal to at least half the weekly wage of claimants who qualify for a benefit below the maximum WBA and those who barely qualify for the maximum is generally accepted by most States. However, some States provide weekly benefits equal to more than half a claimant's weekly wage. The highest proportion of wage loss replaced is in Colorado which compensates for 60 percent of a claimant's weekly wage loss up to the maximum WBA followed by Iowa (59 percent); the District of Columbia and Nebraska (58 percent); and Maryland, Michigan, Rhode Island, and South Dakota (56 percent). In these States and others which compensate for 1/2 or more, claimants who qualify for the maximum are generally assured a benefit equal to at least half their wage until their weekly wage is more than twice the maximum WBA. In all States, claimants whose weekly wage exceeds an amount equal to twice the maximum WBA are compensated for less than half their weekly wage loss.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 26.—Maximum weeks of benefits payable and average potential duration for new insured claimants,¹ by sex, by State—October–December 1965

| State | Maximum weeks duration payable, October–December 1965 | Average potential duration (weeks) for— | | | State | Maximum weeks duration payable, October–December 1965 | Average potential duration (weeks) for— | | |
|---------------------------|---|---|------|-------|---------------------|---|---|------|-------|
| | | All claimants | Men | Women | | | All claimants | Men | Women |
| Total..... | | 24.2 | 24.4 | 23.9 | Missouri..... | 26 | 22.0 | 22.1 | |
| Alabama..... | 26 | 24.1 | 24.4 | 23.3 | Montana..... | 26 | 22.0 | 22.1 | |
| Alaska..... | 26 | 25.6 | 25.7 | 25.0 | Nebraska..... | 26 | 21.1 | 21.5 | |
| Arizona..... | 26 | 22.0 | 22.3 | 21.2 | Nevada..... | 26 | 22.2 | 22.8 | |
| Arkansas..... | 26 | 22.4 | 22.3 | 22.6 | New Hampshire..... | 26 | 26.0 | 26.0 | |
| California..... | 26 | 24.0 | 24.2 | 23.4 | New Jersey..... | 26 | 22.9 | 23.0 | |
| Colorado..... | 26 | 21.8 | 21.9 | 21.3 | New Mexico..... | 26 | 26.8 | 26.9 | |
| Connecticut..... | 26 | 22.9 | 22.9 | 22.9 | New York..... | 26 | 26.0 | 26.0 | |
| Delaware..... | 26 | 22.3 | 22.6 | 21.5 | North Carolina..... | 26 | 26.0 | 26.0 | |
| District of Columbia..... | 34 | 30.2 | 30.3 | 30.1 | North Dakota..... | 26 | 22.8 | 22.8 | |
| Florida..... | 26 | 18.4 | 19.9 | 18.5 | Ohio..... | 26 | 25.1 | 25.2 | |
| Georgia..... | 26 | 19.7 | 20.9 | 18.5 | Oklahoma..... | 26 | 27.5 | 28.5 | |
| Hawaii..... | 26 | 26.0 | 26.0 | 26.0 | Oregon..... | 26 | 25.4 | 25.8 | |
| Idaho..... | 26 | 17.7 | 17.5 | 18.6 | Pennsylvania..... | 26 | 26.8 | 29.0 | |
| Illinois..... | 26 | 22.0 | 22.0 | 22.6 | Puerto Rico..... | 26 | 12.0 | 12.0 | |
| Indiana..... | 26 | 19.5 | 20.1 | 18.3 | Rhode Island..... | 26 | 22.9 | 22.9 | |
| Iowa..... | 26 | 21.8 | 22.3 | 19.9 | South Carolina..... | 22 | 20.7 | 20.8 | |
| Kansas..... | 26 | 22.8 | 22.9 | 22.7 | South Dakota..... | 24 | 20.1 | 20.4 | |
| Kentucky..... | 26 | 22.8 | 22.7 | 22.2 | Tennessee..... | 26 | 22.6 | 22.7 | |
| Louisiana..... | 26 | 22.5 | 22.7 | 22.0 | Texas..... | 26 | 20.7 | 21.1 | |
| Maine..... | 26 | 26.0 | 26.0 | 26.0 | Utah..... | 26 | 26.0 | 26.0 | |
| Maryland..... | 26 | 26.0 | 26.0 | 26.0 | Vermont..... | 26 | 26.0 | 26.0 | |
| Massachusetts..... | 26 | 25.4 | 25.6 | 25.2 | Virginia..... | 26 | 22.5 | 22.6 | |
| Michigan..... | 26 | 21.8 | (7) | (7) | Washington..... | 26 | 27.6 | 28.4 | |
| Minnesota..... | 26 | 24.2 | 24.7 | 22.3 | West Virginia..... | 26 | 26.0 | 26.0 | |
| Mississippi..... | 26 | 22.3 | 22.1 | 22.6 | Wisconsin..... | 24 | 26.2 | 26.1 | |
| | | | | | Wyoming..... | 26 | 22.9 | 24.6 | |

¹ Duration is extended under specified conditions related to high unemployment levels in the State or county (Hawaii) or industry, occupation, or establishment (Puerto Rico).

² Uniform duration provided for all eligible claimants.
³ Information not available.

TABLE 27.—Potential duration of unemployment insurance benefits for new insured claimants, by State, calendar year

| State | Average potential duration (weeks) | Percent of claimants entitled to— | | | State | Average potential duration (weeks) | Percent of claimants entitled to— | | |
|---------------------------|------------------------------------|-----------------------------------|--------------------|------------------|---------------------|------------------------------------|-----------------------------------|--------------------|------------------|
| | | Total | Less than 26 weeks | 26 or more weeks | | | Total | Less than 26 weeks | 26 or more weeks |
| Total..... | 24.1 | 100 | 32 | 65 | Missouri..... | 22.0 | 100 | 40 | |
| Alabama..... | 22.7 | 100 | 32 | 65 | Montana..... | 21.7 | 100 | 48 | |
| Alaska..... | 25.3 | 100 | 10 | 90 | Nebraska..... | 21.4 | 100 | 58 | |
| Arizona..... | 22.4 | 100 | 41 | 59 | Nevada..... | 22.7 | 100 | 37 | |
| Arkansas..... | 22.1 | 100 | 49 | 51 | New Hampshire..... | 26.0 | 100 | 0 | |
| California..... | 22.6 | 100 | 29 | 71 | New Jersey..... | 22.6 | 100 | 33 | |
| Colorado..... | 21.7 | 100 | 47 | 53 | New Mexico..... | 26.6 | 100 | 15 | |
| Connecticut..... | 22.5 | 100 | 42 | 58 | New York..... | 26.0 | 100 | 0 | |
| Delaware..... | 22.2 | 100 | 39 | 61 | North Carolina..... | 26.0 | 100 | 0 | |
| District of Columbia..... | 30.2 | 100 | 25 | 75 | North Dakota..... | 22.5 | 100 | 40 | |
| Florida..... | 19.5 | 100 | 75 | 25 | Ohio..... | 25.1 | 100 | 24 | |
| Georgia..... | 19.4 | 100 | 79 | 21 | Oklahoma..... | 27.1 | 100 | 41 | |
| Hawaii..... | 26.0 | 100 | 0 | 100 | Oregon..... | 25.3 | 100 | 10 | |
| Idaho..... | 18.5 | 100 | 85 | 15 | Pennsylvania..... | 22.6 | 100 | 15 | |
| Illinois..... | 22.8 | 100 | 42 | 58 | Puerto Rico..... | 12.0 | 100 | 100 | |
| Indiana..... | 18.7 | 100 | 73 | 27 | Rhode Island..... | 22.9 | 100 | 43 | |
| Iowa..... | 21.1 | 100 | 57 | 43 | South Carolina..... | 20.7 | 100 | 100 | |
| Kansas..... | 22.9 | 100 | 40 | 60 | South Dakota..... | 19.8 | 100 | 100 | |
| Kentucky..... | 22.1 | 100 | 42 | 58 | Tennessee..... | 23.3 | 100 | 38 | |
| Louisiana..... | 22.2 | 100 | 46 | 54 | Texas..... | 20.4 | 100 | 67 | |
| Maine..... | 26.0 | 100 | 0 | 100 | Utah..... | 25.6 | 100 | 53 | |
| Maryland..... | 26.0 | 100 | 0 | 100 | Vermont..... | 26.0 | 100 | 0 | |
| Massachusetts..... | 25.7 | 100 | 35 | 65 | Virginia..... | 20.0 | 100 | 78 | |
| Michigan..... | 22.1 | 100 | 32 | 68 | Washington..... | 27.3 | 100 | 26 | |
| Minnesota..... | 24.0 | 100 | 47 | 53 | West Virginia..... | 26.0 | 100 | 0 | |
| Mississippi..... | 22.9 | 100 | 43 | 57 | Wisconsin..... | 22.6 | 100 | 30 | |
| | | | | | Wyoming..... | 23.8 | 100 | 37 | |

28.—Percent of beneficiaries exhausting benefits during 18 months ending Dec. 31, 1965, arrayed by percent of new insured claimants eligible for 26 weeks or more of benefits during fiscal year 1965¹, by State

| State | Percent of new insured claimants eligible for 26 or more weeks of benefits | Percent of beneficiaries exhausting benefits ² | State | Percent of new insured claimants eligible for 26 or more weeks of benefits | Percent of beneficiaries exhausting benefits ² |
|-------|--|---|----------------|--|---|
| Ala. | 100 | 19 | Rhode Island | 35 | 18 |
| Ala. | 100 | 12 | Kentucky | 34 | 23 |
| Ala. | 100 | 14 | Wyoming | 34 | 15 |
| Ala. | 100 | 17 | Mississippi | 33 | 21 |
| Ala. | 100 | 16 | Arizona | 31 | 26 |
| Ala. | 92 | 14 | Illinois | 31 | 23 |
| Ala. | 91 | 4 | Michigan | 29 | 14 |
| Ala. | 83 | 18 | Minnesota | 29 | 21 |
| Ala. | 74 | 14 | Colorado | 29 | 20 |
| Ala. | 69 | 22 | Louisiana | 28 | 26 |
| Ala. | 69 | 22 | Montana | 28 | 23 |
| Ala. | 69 | 14 | Wisconsin | 28 | 23 |
| Ala. | 65 | 20 | Arkansas | 25 | 26 |
| Ala. | 62 | 26 | North Dakota | 24 | 19 |
| Ala. | 51 | 16 | Utah | 24 | 27 |
| Ala. | 48 | 22 | Nebraska | 24 | 25 |
| Ala. | 46 | 25 | Iowa | 13 | 23 |
| Ala. | 44 | 24 | Florida | 11 | 25 |
| Ala. | 44 | 25 | Texas | 11 | 26 |
| Ala. | 42 | 25 | Indiana | 10 | 24 |
| Ala. | 41 | 30 | Idaho | 6 | 21 |
| Ala. | 41 | 18 | Georgia | 5 | 27 |
| Ala. | 39 | 21 | Virginia | 3 | 22 |
| Ala. | 38 | 20 | Puerto Rico | 0 | 40 |
| Ala. | 36 | 20 | South Carolina | 0 | 31 |
| Ala. | 36 | 22 | South Dakota | 0 | 26 |

¹ Claimants exhausting benefits during calendar year 1965, generally filed their initial claim to establish insured status during fiscal year 1964.

² Exhaustions for calendar year 1964, as percent of 1st payment for fiscal year 1965.

TABLE 29.—Minimum weeks of base-period employment required to qualify for 26 weeks of potential duration at weekly benefit levels below the maximum, variable duration States, July 1968

| State | Minimum weeks of employment ¹ required for 26 weeks of benefits | Minimum weeks of employment ¹ required for 26 weeks of benefits |
|----------------------|--|--|
| Alabama | 39 | 37 |
| Arizona | 39 | 39 |
| Arkansas | 39 | 39 |
| California | 26 | 19 |
| Colorado | 39 | 39 |
| Connecticut | 39 | 39 |
| Delaware | 33 | 35 |
| District of Columbia | 26 | 22 |
| Florida | 52 | 35 |
| Georgia | 51 | 32 |
| Idaho | 46 | 39 |
| Illinois | 39 | 26 |
| Indiana | 52 | 44 |
| Iowa | 39 | 39 |
| Kansas | 39 | 49 |
| Kentucky | 39 | 39 |
| Louisiana | 33 | 52 |
| Maine | 39 | 33 |
| Massachusetts | 37 | 42 |
| Michigan | 35 | |
| Minnesota | | 37 |
| Mississippi | | 39 |
| Missouri | | 39 |
| Montana | | 19 |
| Nebraska | | 39 |
| Nevada | | 39 |
| New Jersey | | 35 |
| New Mexico | | 22 |
| North Dakota | | 35 |
| Ohio | | 32 |
| Oklahoma | | 39 |
| Pennsylvania | | 26 |
| Rhode Island | | 44 |
| Tennessee | | 39 |
| Texas | | 49 |
| Utah | | 39 |
| Virginia | | 52 |
| Wisconsin | | 33 |
| Wyoming | | 42 |

¹ Estimated on the basis of a constant weekly wage equal to twice the weekly benefit amount. Those at the maximum weekly benefit amount who earn more than twice that amount in weekly wages will be able to qualify with fewer weeks of employment.

² Excludes States with weekly benefit amount based on annual wages (Alaska, Oregon, and Washington) because weeks of employment required for 26 weeks of benefits is not measurable; also excludes States with maximum duration of less than 26 weeks (Puerto Rico, South Carolina, and South

Dakota) and 7 States which provide 26 weeks of benefits uniformly to all eligible claimants.

³ Must have earned at least \$100 in each quarter—minimum weeks shown assume only enough employment in each quarter to meet requirements.

⁴ Utah provides 26 weeks of benefits if annual earnings are 2.5 times high quarter earnings and 30 weeks if annual earnings are 3 times high quarter earnings; no provision for intervening levels of benefit duration; estimated required employment based on 3 times high quarter earnings.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 30.—Average employer contribution rates, by State, calendar years 1964-66

[Rates shown as percentages of taxable and total wages]

| State | Tax base \$3,000 except as shown | Date | 1964 | | 1965 estimated ¹ | | 1966 estimated ¹ | |
|---------------------------|---|--------------|---------|-------|-----------------------------|-------|-----------------------------|-------|
| | | | Taxable | Total | Taxable | Total | Taxable | Total |
| U.S. average..... | | | 2.21 | 1.26 | 2.1 | 1.3 | 2.0 | |
| Alabama..... | | | 1.60 | .98 | 1.3 | .8 | 1.1 | |
| Alaska..... | \$7,200 | January 1960 | 2.94 | 2.39 | 2.9 | 2.4 | 2.9 | |
| Arizona..... | 3,600 | January 1965 | 1.45 | .83 | 1.5 | 1.0 | 1.5 | |
| Arkansas..... | | | 1.69 | 1.04 | 1.7 | 1.2 | 1.6 | |
| California..... | 4,100 | January 1965 | 3.02 | 1.93 | 3.0 | 1.9 | 2.8 | |
| Colorado..... | | | 1.89 | .89 | 1.3 | .7 | 1.3 | |
| Connecticut..... | | | 2.10 | 1.09 | 2.1 | 1.1 | 2.1 | |
| Delaware..... | 3,600 | January 1965 | 2.19 | 1.22 | 1.8 | 1.0 | 1.1 | |
| District of Columbia..... | | | .89 | .48 | 1.1 | .6 | .9 | |
| Florida..... | | | 1.33 | .81 | 1.2 | .8 | 1.0 | |
| Georgia..... | | | 1.30 | .82 | 1.3 | .8 | 1.3 | |
| Hawaii..... | 4,200 | January 1965 | 2.25 | 1.51 | 2.0 | 1.5 | 1.8 | |
| Idaho..... | 3,600 | January 1963 | 2.17 | 1.45 | 2.2 | 1.5 | 2.0 | |
| Illinois..... | | | 1.93 | .98 | 1.9 | .7 | 1.8 | |
| Indiana..... | | | 1.22 | .65 | 1.1 | .6 | 1.2 | |
| Iowa..... | | | 1.77 | .84 | .7 | .4 | .6 | |
| Kansas..... | | | 1.43 | .83 | 1.4 | .8 | 1.4 | |
| Kentucky..... | | | 1.92 | 1.14 | 1.7 | 1.0 | 1.2 | |
| Louisiana..... | | | 1.94 | 1.15 | 2.0 | 1.2 | 1.8 | |
| Maine..... | | | 1.99 | 1.29 | 1.9 | 1.3 | 1.9 | |
| Maryland..... | | | 2.85 | 1.63 | 2.8 | 1.5 | 1.9 | |
| Massachusetts..... | 3,600 | January 1962 | 2.70 | 1.69 | 2.6 | 1.7 | 2.3 | |
| Michigan..... | 3,600 | April 1963 | 2.63 | 1.44 | 2.3 | 1.3 | 2.2 | |
| Minnesota..... | 4,800 | January 1965 | 1.35 | .73 | 1.5 | .8 | 1.4 | |
| Mississippi..... | | | 2.29 | 1.39 | 1.6 | 1.1 | 1.4 | |
| Missouri..... | | | 1.42 | .77 | 1.4 | .8 | 1.4 | |
| Montana..... | | | 1.82 | .85 | 1.5 | .9 | 1.5 | |
| Nebraska..... | | | 1.26 | .74 | 1.0 | .6 | 1.0 | |
| Nevada..... | 3,600 | April 1965 | 2.70 | 1.71 | 2.0 | 1.4 | 2.0 | |
| New Hampshire..... | | | 1.63 | 1.04 | 1.7 | 1.1 | 1.3 | |
| New Jersey..... | | | 2.36 | 1.21 | 2.3 | 1.3 | 2.3 | |
| New Mexico..... | | | 1.31 | .75 | 1.3 | .8 | 1.3 | |
| New York..... | | | 2.69 | 1.36 | 3.0 | 1.6 | 2.9 | |
| North Carolina..... | | | 1.82 | 1.02 | 1.4 | 1.0 | 1.2 | |
| North Dakota..... | | | 2.42 | 1.51 | 2.4 | 1.5 | 2.4 | |
| Ohio..... | | | 2.86 | 1.45 | 2.4 | 1.3 | 2.1 | |
| Oklahoma..... | | | 1.50 | .87 | 1.5 | .9 | 1.2 | |
| Oregon..... | 3,600 | January 1965 | 2.31 | 1.54 | 1.9 | 1.3 | 1.9 | |
| Pennsylvania..... | 3,600 | January 1964 | 2.06 | 1.69 | 2.9 | 1.7 | 2.7 | |
| Puerto Rico..... | | | 2.70 | 2.23 | 2.7 | 2.3 | 2.7 | |
| Rhode Island..... | 3,600 | January 1966 | 2.70 | 1.82 | 2.7 | 1.9 | 2.3 | |
| South Carolina..... | | | 1.38 | .94 | 1.3 | .9 | 1.3 | |
| South Dakota..... | | | 1.00 | .62 | .9 | .6 | .8 | |
| Tennessee..... | 3,300 | January 1963 | 1.77 | 1.17 | 1.8 | 1.2 | 1.8 | |
| Texas..... | | | .93 | .54 | .9 | .5 | .8 | |
| Utah..... | 4,200 | January 1964 | 1.38 | .96 | 1.5 | 1.1 | 1.5 | |
| Vermont..... | 3,600 | do | 1.88 | 1.33 | 2.3 | 1.6 | 2.9 | |
| Virginia..... | | | .91 | .56 | .7 | .4 | .7 | |
| Washington..... | | | 2.70 | 1.44 | 2.7 | 1.5 | 2.7 | |
| West Virginia..... | 3,600 | January 1962 | 1.15 | .72 | 1.2 | .8 | 1.3 | |
| Wisconsin..... | 3,600 | January 1966 | 1.54 | .82 | 1.7 | .9 | 1.5 | |
| Wyoming..... | | | 3.12 | 1.92 | 2.0 | 1.3 | 2.2 | |

¹ Estimates of average rates based on taxable wages prepared by State employment security agencies; estimates based on total wages prepared by Bureau of Employment Security.

TABLE 31.—Unemployment insurance tax base and tax rate provisions under State laws as of Dec. 1, 1965

| State | Tax base \$3,000 except as shown | Date | Employer tax rates (percent of taxable wages) | | | |
|-------------------|--|--------------|---|---------|-------------------------|---------|
| | | | Statutory limits | | 1965 rates ¹ | |
| | | | Minimum | Maximum | Minimum | Maximum |
| Alabama | | | 0.5 | 2.6 | 0.5 | 2.7 |
| Alaska | | | 1.5 | 4.0 | 1.5 | 4.0 |
| Arizona | \$7,200 | January 1960 | .1 | 2.7 | .2 | 2.7 |
| Arkansas | 3,000 | January 1965 | .1 | 4.0 | .3 | 3.0 |
| California | | | .3 | 3.7 | 2.2 | 2.5 |
| Colorado | \$4,100 | January 1966 | 0 | 2.7 | 0 | 2.7 |
| Connecticut | | | .25 | 2.7 | 1.5 | 2.7 |
| Delaware | 3,600 | January 1965 | .1 | 4.5 | .7 | 2.0 |
| Dist. of Columbia | | | .1 | 2.7 | .1 | 2.7 |
| Florida | | | 0 | 4.5 | .1 | 4.0 |
| Georgia | | | .25 | 4.2 | .25 | 4.2 |
| Idaho | 4,200 | January 1965 | .7 | 2.0 | .7 | 2.0 |
| Illinois | 2,600 | January 1963 | .3 | 5.1 | .9 | 4.5 |
| Indiana | | | .1 | 4.0 | .1 | 4.0 |
| Iowa | | | 0 | 4.0 | 0 | 2.7 |
| Kansas | | | 0 | 2.7 | 0 | 2.7 |
| Kentucky | | | 0 | 4.2 | .6 | 4.0 |
| Louisiana | | | .1 | 2.7 | .9 | 2.7 |
| Maine | | | .5 | 2.7 | .7 | 2.7 |
| Maryland | | | 0 | 4.2 | .5 | 4.2 |
| Massachusetts | 3,600 | January 1962 | .5 | 4.1 | 1.1 | 2.9 |
| Michigan | 3,600 | April 1965 | 0 | 6.6 | 0 | 6.6 |
| Minnesota | 4,800 | January 1966 | .1 | 4.5 | 0 | 2.7 |
| Mississippi | | | 0 | 2.7 | 1.24 | 2.7 |
| Missouri | | | 0 | 4.1 | 0 | 2.5 |
| Montana | | | .5 | 2.1 | .5 | 2.7 |
| Nebraska | | | .1 | 2.7 | .1 | 2.7 |
| Nevada | | | .6 | 2.0 | .6 | 2.0 |
| New Hampshire | 3,600 | April 1965 | .15 | 4.0 | .3 | 4.0 |
| New Jersey | | | .4 | 4.2 | .7 | 2.9 |
| New Mexico | | | .1 | 2.6 | .1 | 2.6 |
| New York | | | 0 | 4.2 | 1.9 | 4.2 |
| North Carolina | | | .1 | 4.7 | .4 | 2.7 |
| North Dakota | | | .3 | 7.0 | 1.1 | 7.0 |
| Ohio | | | 0 | 5.2 | .6 | 4.7 |
| Oklahoma | | | .2 | 2.7 | .4 | 2.7 |
| Oregon | 3,600 | January 1965 | 1.2 | 2.7 | 1.2 | 2.7 |
| Pennsylvania | 3,600 | January 1964 | 0 | 4.0 | 1.0 | 4.0 |
| Puerto Rico | | | 2.7 | 2.1 | 2.7 | 2.1 |
| Rhode Island | 3,600 | January 1966 | 1.6 | 4.0 | 2.7 | 2.7 |
| South Carolina | | | .25 | 4.1 | .6 | 4.1 |
| South Dakota | | | 0 | 4.1 | 0 | 2.6 |
| Tennessee | 3,300 | January 1963 | .5 | 4.0 | .75 | 4.0 |
| Texas | | | .1 | 7.2 | .1 | 2.7 |
| Utah | 4,200 | January 1964 | .7 | 2.7 | 1.1 | 2.7 |
| Vermont | 3,600 | do. | .5 | 4.5 | .5 | 4.1 |
| Virginia | | | .1 | 2.7 | .1 | 2.7 |
| Washington | | | 0 | 2.7 | 2.7 | 2.7 |
| West Virginia | 3,600 | January 1962 | 0 | 2.7 | 0 | 2.7 |
| Wisconsin | 3,600 | January 1966 | 0 | 4.6 | .25 | 4.45 |
| Wyoming | | | 0 | 3.2 | .6 | 2.2 |

¹ Represents minimum and maximum rates assigned to employers during calendar year 1965. In States where tax schedule was changed during 1965 figures shown represent the lowest and highest rates assigned under the schedule.

² Tax base reduced to \$3,000 whenever the reserve fund reaches or exceeds a specified level.
³ Applicable to employers subject to the Puerto Rico law but not to the FUTA. Puerto Rico does not have an experience-rating system.

TABLE 32.—Summary of transactions under 1958 TUC Act, as of Mar. 31, 1966¹

| State | Amount made available—to be restored | Amount restored, as of Mar. 31, 1966 | Amount still to be restored | State | Amount made available—to be restored | Amount restored, as of Mar. 31, 1966 | Amount still to be restored |
|-------------------|--------------------------------------|--------------------------------------|-----------------------------|---------------|--------------------------------------|--------------------------------------|-----------------------------|
| Total | \$445,626,395 | \$382,905,283 | \$62,721,112 | Massachusetts | \$24,896,630 | \$24,896,630 | |
| Alabama | 9,434,137 | 9,434,137 | | Michigan | 76,202,487 | 43,275,114 | \$32,927,373 |
| Alaska | 927,731 | 927,731 | | Minnesota | 8,335,523 | 8,335,523 | |
| Arizona | 2,794,859 | 2,794,859 | | Nevada | 908,548 | 908,548 | |
| Arkansas | 54,081,298 | 54,081,298 | | New Jersey | 43,354,740 | 36,980,190 | 6,374,550 |
| California | 1,577,465 | 1,577,465 | | New York | 89,140,241 | 89,140,241 | |
| Colorado | 1,479,219 | 1,479,219 | | Pennsylvania | 80,963,425 | 63,943,126 | 17,020,299 |
| Dist. of Columbia | 21,327,282 | 21,327,282 | | Rhode Island | 5,785,828 | 5,015,000 | 770,828 |
| Florida | 21,327,282 | 21,327,282 | | West Virginia | 9,441,816 | 5,762,246 | 3,679,570 |
| Georgia | 12,426,666 | 12,426,666 | | | | | |

¹ Not including additional expenditures incurred in the collection of Federal taxes in States where restoration is accomplished by reduction in credit against the Federal tax; such additional expenditures are deducted from

current additional Federal taxes before crediting against remaining balance to be restored.

RELATING TO UNEMPLOYMENT INSURANCE AMENDMENTS

TABLE 33.—Summary of transactions under Reed Act (loan fund) as of Mar. 31, 1966

| State | Total advances | | Repayments made through Mar. 31, 1966 | Balance, as of Mar. 31, 1966 |
|-------------------|----------------|------|---------------------------------------|------------------------------|
| | Amount | Date | | |
| Total..... | \$232,764,000 | | \$71,126,415 | \$162,638,585 |
| Alaska..... | 2,764,000 | 1967 | 1,054,712 | 7,710,288 |
| Michigan..... | 113,056,000 | 1968 | 22,212,702 | 84,787,298 |
| Pennsylvania..... | 112,000,000 | 1969 | 87,869,000 | 74,121,000 |

TABLE 34.—FUTA tax rates for States with unrestored 1958 TUC and/or repayable advances outstanding (as of Dec. 1, 1966)

| State | 1965 wages, payable Jan. 31, 1966 | | | | 1966 wages, payable Jan. 31, 1967 | | | |
|--------------------|-----------------------------------|-------|------|-----------|-----------------------------------|-------|------|-----------|
| | Total | Basic | TUC | Title XII | Total | Basic | TUC | Title XII |
| Alaska..... | 0.85 | 0.40 | 0.30 | 0.15 | 0.55 | 0.40 | | |
| Michigan..... | .40 | .40 | (1) | (1) | .85 | .40 | 0.30 | |
| New Jersey..... | .70 | .40 | .30 | | .70 | .40 | .30 | |
| Pennsylvania..... | .40 | .40 | (1) | (1) | .85 | .40 | .30 | |
| Rhode Island..... | .40 | .40 | (1) | | .70 | .40 | .30 | |
| West Virginia..... | .70 | .40 | .30 | | .70 | .40 | .30 | |

¹ No increase in net FUTA tax since State elected to take advantage of installment feature of Public Law 88-172.

TABLE 35.—Financial transactions of the Federal Unemployment Account (Reed Act loan fund) in the unemployment trust fund through June 30, 1966

| Fiscal year | Excess collections credited | Interest credited | Advances made during fiscal year | Advances repaid during fiscal year | Balance at end of year |
|-------------------|-----------------------------|----------------------------|----------------------------------|------------------------------------|------------------------------|
| 1955 ¹ | \$64,287,507.00 | \$775,882.79 | | | \$64,062,624.21 |
| 1956 | 26,776,066.96 | 3,505,050.00 | \$3,000,000 | | 182,245,121.17 |
| 1957 ² | 47,654,863.16 | | | | 200,000,000.00 |
| 1957 | | 4,137,799.64 | 2,630,000 | \$3,000,000.00 | 204,507,799.64 |
| 1958 | | 5,395,775.50 | ³ 16,635,000 | ⁴ 14,000,000.00 | ⁵ 202,198,574.14 |
| 1959 | ⁶ 6,078,600.00 | 5,563,006.00 | 212,440,000 | | 1,391,261.14 |
| 1960 | | 4,972,328.66 | 2,004,000 | | 4,393,591.80 |
| 1961 | 2,553,205.05 | 6,992,564.36 | 13,258,000 | | ⁷ 1,687,351.15 |
| 1962 | | 6,538,209.16 | 800,000 | 157,404.42 | 7,542,955.89 |
| 1963 | | 7,374,259.50 | | 7,444,964.79 | 22,274,151.60 |
| 1964 | 22,535,300.00 | 9,328,523.94 | | 20,798,421.34 | 85,081,053.25 |
| 1965 | 36,206,638.25 | 11,522,498.43 | | 21,089,397.98 | ⁸ 183,246,693.52 |
| 1966 | 33,998,071.41 | ⁹ 12,702,306.24 | | ¹⁰ 21,472,348.99 | ¹¹ 228,019,651.25 |

¹ The 1st credit, made in fiscal year 1955 and credited on Dec. 23, 1954, represents excess of Federal unemployment tax collections over employment security expenses during fiscal year 1954.

² The 1st credit in fiscal year 1956, made July 1, 1955, represents excess during fiscal year 1955. The 2d credit, made at the end of fiscal year 1956 represents the excess during fiscal year 1956 needed to bring the balance to statutory limit of \$200,000,000.

³ Advances to Oregon of \$14,000,000 in April 1958 not legal under Oregon laws and returned June 13, 1958. Alaska received an additional \$2,635,000.

⁴ BES administrative expenses of \$6,078,600 deducted during fiscal year 1958 per Public Law 85-67. Same amount credited to account in fiscal year 1959 per Comptroller General Decision No. B138966, dated July 1, 1958.

⁵ Reflects adjustment of \$305.86.

⁶ Includes BES repayment of \$127.65 to account representing excess amount repaid.

⁷ Includes estimate for January-June 1966 made by U.S. Department of Labor.