CURRENT ISSUES
IN UNEMPLOYMENT INSURANCE*

I. General


Useful for its background material on the historical development of unemployment insurance legislation in the United States and for the detailed discussion of benefit structure, coverage, financing, and federalization.


Includes recommendations for legislative and administrative changes affecting coverage, benefit financing, administration, and disqualifications, and for study of plans to supplement unemployment insurance during a depression.


These hearings present varying points of view on most of the important issues regarding legislative changes.


* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
Recommendations made in this report dealt with extension of coverage; amounts, duration, and disqualifications for benefits; payment of benefits to interstate workers; problems of financing; and appropriations and administration.


Specific recommendations were: (1) extension of coverage to federal and state government employees, food processing workers, and employees with fewer than eight employees; (2) shortening of period required to qualify for tax reductions in states which have experience rating; (3) increase in amount of benefits so that dollar maximums may equal at least half of regular earnings of claimant; (4) extension of duration of benefits to 26 weeks; and (5) machinery for granting non-interest-bearing loans to states when their reserves are near exhaustion.

2. Issues Related to Benefits


Examines the meaning, as interpreted in administrative and judicial decisions, of the statutory requirement that unemployed workers may not draw benefits unless they are able to work and available for work.


A study of existing data supplemented by field work which is based on the premise that "the chief factor limiting the further development of the system of unemployment benefits is the community's apprehension of something called 'abuse.'" The author's conclusions point out the need for more information and for improved administration and controls.


This and earlier volumes of the proceedings of the Interstate Conference contain much useful material both in the form of discussions from the floor and also speeches by representatives of various groups. For instance, management and labor points of view regarding adequacy of benefits and the relations of the guaranteed annual wage to unemployment insurance were presented at the 17th and 16th conferences, respectively.

U.S. Department of Labor, Bureau of Employment Security. Adequacy of benefits under unemployment insurance; a staff report prepared

“A compendium of the major views on the purposes and principles underlying benefit provisions and the criteria that seem to stem from these views.” Includes a well-selected bibliography listing research studies on the subject and current statements regarding principles and purposes of unemployment insurance.


Study of current practice indicates that “with one exception all State agencies which have passed upon this question construe payments received under guaranteed wage and similar payments for time not worked as wages.”


Contains Bureau recommendations regarding amendments in state laws which affect benefits and eligibility.

3. Financing of Unemployment Insurance


These reports cover arguments in favor of continuing the federal loan fund, key facts as to state fund experience, key financing provisions of each state law, and suggestions for state studies of benefit financing.


Argues that the financing of the systems should be “according to insurance principles,” avoiding the accumulation of reserves beyond the point needed to keep the system solvent and basing tax rates on “estimated benefit costs, reserve requirements, and individual risk.”


This study of state experience for the period 1937-1952 “reveals the development of quite substantial interstate differentials” in contribution rates and benefits received, as well as in the amounts in state reserve funds. These differentials, the author feels, constitute a threat to the system, especially in the event of a period of heavy unemployment, and he advocates national legislation which would tend to minimize them.

Hearings on the Mason-Mills and the Forand bills dealing with payments to state unemployment insurance funds. The former would return to the states the excess of tax collections over the amount appropriated by Congress for administrative expenses, while the latter would put the proceeds of the Federal Unemployment Tax Act in a separate fund to be used solely for the employment security program.

4. POLICY STATEMENTS OF VARIOUS GROUPS


"Revised policy declarations of the Chamber of Commerce of the United States on social security: Part D. Unemployment insurance." pp. 39-41. $1.50 a year to non-members.

Policies include adherence to the present federal-state system, extension of coverage to employers of one or more, full per cent offset plan, emergency loan fund, revision of benefit schedules where these are comparatively low, and liberalization of experience rating.


This statement, which also appears in the hearings, in addition to a full presentation of the reasons for the Federation’s opposition to the Reed bill, also contains its proposals for amendments to the Social Security Act affecting unemployment compensation.


"Outlines . . . the CIO’s policies on the major provisions of unemployment insurance, indicates how the state laws measure up to these standards and gives the major facts and argument to be used in support of the CIO’s program in each state."


Criticizes the unemployment insurance system as having departed from the philosophy upon which it was originally based and states the principles which the National Association of Manufacturers believes should be followed.