

Unemployment Update – Partial Unemployment Benefit Payments

How Do States Determine Eligibility for Partial Unemployment Benefits?

Each state has its own specific method of determining eligibility for payment of partial unemployment benefits. The calculations are typically based on factors which include an individual's earnings during a particular week, their weekly benefit amount (WBA) as calculated by the state, and state-specific disregarded earnings.

The disregarded earnings established by each state can represent a specific dollar amount, a portion of the individual's weekly earnings, or a portion of their weekly benefit amount which gets disregarded from their actual income for that week.

The amount of benefits payable during a specific week of partial unemployment can usually be calculated by subtracting wages earned during the week from the established weekly benefit amount, after removing the earnings disregarded from the wage figure.

States with a Static Disregarded Earnings Amount

Example 1:

In the state of Maryland, the amount of earnings disregarded in computing partial week benefits is always \$50. This means if an individual earns \$275 during a partial week of employment, the state will disregard the first \$50 of their earnings. This leaves an amount of \$225 as recognized income for that week. This \$225 will then be subtracted from the WBA of \$300, leaving a total benefit payment of only \$75.

States with Disregarded Earnings Tied to a Percent of Earnings or the WBA

Example 2:

In the state of Ohio, the amount of earnings disregarded in the computation of partial week benefit payments is equal to 20% of the weekly benefit amount. In this example we'll use the same WBA amount of \$300 from the example above and assume the individual had earnings for the week of \$200. The disregarded earnings would be 20% of the WBA, which is \$60. Subtracting this amount from the earnings of \$200, you are left with \$140 as the recognized income for the week. Once the WBA is reduced by \$140, the remaining partial benefit amount available would be \$160.

An even quicker method of calculating the partial benefit amount available under this scenario would be to simply multiply the WBA of \$300 by 120% and then subtract the earnings for the week. The partial benefits available would still be \$160 (\$360-\$200).

Impact on the Claim Process

If you have employees collecting partial unemployment benefits, you can expect your state to request and confirm earnings information on a more frequent basis. You also want to make sure you are checking your charge statements carefully to ensure you are not being charged the full weekly benefit amount.

TALX's experience, expertise, and proven results help employers navigate the uncertainty of the unemployment insurance system. For additional information regarding this article or other proactive unemployment cost management techniques, please contact Pete Krieshok at 314-214-7325, or by e-mail at pkrieshok@talx.com or visit our corporate blog at <http://blog.talx.com>.