

Option (4) - Suspend Increase in Maximum Weekly Benefit Amount

a) Definition

According to “Section 41-35-40 Weekly Benefit Amount”, the maximum weekly benefit amount a claimant can receive is no greater than sixty-six and two-thirds percent of the statewide average weekly wage. Each year the Agency computes a statewide average salary. The Commission has historically set the maximum weekly benefit amount at fifty percent of that average salary. However, for the past two years, the maximum amount has been frozen at \$326.00 due to economic conditions. It currently equates to approximately 46% of the most current statewide average salary (\$36,253.00).

b) Current Policy/Practice:

No increased are being considered

c) Other States’ Practice in This Aread

See Attached Chart (Page 48-51)

d) Proposed Change:

Monitor current maximum weekly benefit amount

e) Estimated Fiscal Impact on Fund Per Year:

Will not increase amount of federal loans required

f) Pros and Cons of This Change:

Pros- Will help loan status by not increasing payout levels

Cons- Will provide less assistance to unemployed
Less money in economy

g) Required Action to Implement

Agency policy

h) **Time Frame Required for Implementation**

Current

i) **Impact on Agency in Implementation**

None

j) **Agency Recommendation:**

Yes

k) **Other Comments/Considerations:**

None

WEEKLY BENEFIT AMOUNTS

Table 18 shows the three methods states use for computing claimants' weekly benefit amounts (WBA). Implicit in all these methods are two long-standing unemployment compensation principles: (1) The weekly benefit amount should be directly related to the individual's usual wage, and (2) the benefit generally should replace 50 percent of wages. Some states compute the weekly benefit as a fraction of the claimant's wages in that calendar quarter of the base period in which wages were highest (employee's high quarter). A $\frac{1}{26}$ fraction will produce 50 percent wage replacement for claimants who worked all 13 weeks in their high quarter.

States using an average weekly wage formula compute the weekly benefit as a percentage of the claimant's average weekly wage. These states use different methods of computing the average weekly wage. For example, Ohio divides the claimant's base-period wages by the number of weeks of wages.

States using an annual wage formula compute weekly benefits as a percentage of the total wages the claimant earned during the

base period. If the claimant worked steadily for 50 weeks at \$100, for example, the weekly benefit would be \$50, if the fraction is 1.0 percent. With fewer than 50 weeks, the weekly benefit would be less than \$50. Under this formula, the weekly benefit bears no necessary relationship to the worker's normal weekly wage, but rather to the normal annual wage.

Every state has a maximum weekly benefit amount. The maximum represents the point at which some claimants will not receive a 50 percent wage replacement. A \$100 maximum, for example, means that claimants whose normal weekly earnings are higher than \$200 will receive a benefit (\$100) representing less than half their usual wage. A maximum too low in relation to wages will result in most claimants qualifying for the maximum instead of a benefit related to their wages.

As Table 18 shows, a majority of states index the maximum to keep pace with rising wages. They establish the maximum as a fixed percentage (50-70%) of the statewide average weekly wage, usually over the last calendar year.

Table 18—WEEKLY BENEFIT AMOUNTS

State (1)	Method of Computing ¹ (2)	Mini- mum WBA ³ (3)	Maxi- mum WBA ³ (4)	Maximum as % of State Average WW (5)	Minimum Wage Credits Required for Maximum Weekly Benefit Amount:	
					High Quarter (6)	Base Period (7)
High Quarter(s) Formula (Single HQ unless otherwise noted)						
Alabama	2HQ's ²	\$45	\$255		\$6,617.01	\$13,234.02
Arizona	$\frac{1}{25}$	60	240		5,987.50	7,000
Arkansas ⁸	$\frac{1}{26}$	77	431	$66\frac{2}{3}$	11,206	11,637
California	$\frac{1}{23}$ - $\frac{1}{26}$	40	450	N/A	11,674.01	14,592.51
Colorado	60% or 50% ²	28	431-475	55 ²	17,897	47,320
Connecticut	$\frac{1}{52}$ 2HQ's + d.a.	15-30	519-594	60	13,494 ⁶	20,760
Delaware	$\frac{1}{46}$ 2HQ's ²	20	330		15,180 ⁶	15,180
D.C.	$\frac{1}{26}$	50	359	50	9,334	14,001
Florida	$\frac{1}{26}$ of HQ	32	275		7,150	10,725
Georgia	$\frac{1}{42}$ 2HQs ²	44	330		9,240	13,860
Hawaii	$\frac{1}{21}$	5	545	75	11,445	14,170
Idaho	$\frac{1}{26}$	58	362	57 ⁵	9,412	11,765
Illinois	47% x 2HQs + d.a. ²	51	385-534	65.2%	10,627.50	21,255
Indiana	$\frac{1}{20}$ - $\frac{1}{25}$	50	390		9,250	11,563
Iowa	$\frac{1}{9}$ - $\frac{1}{23}$	53-65	361-443	53 ⁵	8,303	10,379
Kansas	4.25%	105	423	60%	9,953	12,690
Maine	$\frac{1}{22}$ of 2HQ's ²	60-70	344-516	52	7,568	26,832
Maryland	$\frac{1}{24}$ + d.a.	25-33 ⁴	380		9,096.01	13,680

Table 18—WEEKLY BENEFIT AMOUNTS — Continued

State (1)	Method of Computing ¹ (2)	Mini- mum ₃ WBA ³ (3)	Maxi- mum ₃ WBA ³ (4)	Maximum as % of State Average WW (5)	Minimum Wage Credits Required for Maximum Weekly Benefit Amount:	
					High Quarter (6)	Base Period (7)
Massachusetts	$\frac{1}{13}$, $\frac{1}{21}$ - $\frac{1}{26}$ + d.a. ²	\$33-49	\$628-942	57.5	\$16,328 ⁶	\$18,840
Michigan	4.1%	117-123	362		8,830	13,245
Minnesota	$\frac{1}{104}$ ²	38	566	$66\frac{2}{3}$ ⁵	13,988	58,864
Mississippi	$\frac{1}{26}$	30	230		5,980	9,200
Missouri	4.0% ²	35	320		8,000 ⁶	16,000
Nevada	$\frac{1}{25}$	16	393	50	9,825	14,738
New Mexico		67	359	53.5	8,723	15,557
New York	$\frac{1}{26}$ of HQ ²	40	405 ²		10,530 ⁷	15,795
North Carolina	HQ/26 ²	42	494	$66\frac{2}{3}$ ³	12,844	12,376
North Dakota	$\frac{1}{65}$ of 2HQ's ²	43	406	62-65 ⁵	10,556	26,390
Oklahoma	$\frac{1}{23}$	16	409	X ⁴	9,407	14,200
Pennsylvania	$\frac{1}{23}$ - $\frac{1}{25}$ + d.a. ²	35-43	558-566	$66\frac{2}{3}$ ³	13,888	22,240
Puerto Rico	$\frac{1}{11}$ - $\frac{1}{26}$	7	133	50	3,458	5,320
Rhode Island	4.62% x HQ	68-118 ⁴	528-660 ⁴	67	11,428.58	17,142.87 ⁷
South Carolina	$\frac{1}{26}$ ²	20	326	$66\frac{2}{3}$ ⁵	7,878	11,817
South Dakota	$\frac{1}{26}$	28	298	50	7,748	13,708
Tennessee	$\frac{1}{52}$ 2HQ's	30	275		7,150.01	14,300.01
Texas	$\frac{1}{25}$ ⁹	58	392		9,800	14,504
Utah	$\frac{1}{26}$	28	444	62.5 ⁵	11,544	17,316 ⁷
Vermont	$\frac{1}{45}$ 2HQ's ²	64	425	X ⁵	—	19,125 ⁷
Virginia	$\frac{1}{50}$ 2HQ's ²	54	378		17,350.01 ⁶	18,900.01
Virgin Islands	$\frac{1}{26}$	33	459	65	11,934	17,901
Washington	3.85% 2HQ	129	541	63	14,052 ⁶	28,104 ⁷
Wisconsin	4.0%	54	363		9,075	12,705
Wyoming	4.0%	30	415	55 ⁵	10,375	14,525
Annual Wage Formula						
Alaska	4.4-.09 + d.a. ²	56-128	370-442			42,000
Kentucky	1.3078 ²	39	415	62 ⁴		31,700
Louisiana	$\frac{1}{25}$ 4 qtrs. ²	10	284	$66\frac{2}{3}$ ⁵		28,400
New Hampshire	0.8-1.1	32	427			41,500 ⁸
Oregon	1.25% of BP wages	113	482	64		38,560
West Virginia	1.0	24	424	$66\frac{2}{3}$ ³		40,150
Average Weekly Wage Formula						
Montana	1.9% 2HQ or 1.0% total BP wages	120	407	67.5% ¹⁰		21,422 for 1.9% option; 40,700 for 1.0% option
Nebraska	50% of $\frac{1}{13}$ of HQ	30	308	50%	8,008	8,288
New Jersey	60% + d.a. ⁴	85	584 ⁴	$56\frac{2}{3}$ ³		19,466.67 ⁷
Ohio	50% + d.a. ²	105	372-503 ²	X ⁵		14,880

FOOTNOTES FOR TABLE 18

1. Unless noted separately, when two fractions are given, a weighted schedule is in use to give a greater proportion of high quarter wages to lower paid workers. When a state uses weighted HQ, annual wage or AWW formula, approximate fractions of percentages are taken at midpoint of lowest and highest normal wage brackets. When additional payments are provided for claimants with dependents, fractions and percentages shown apply to basic benefit amounts.
2. **Alabama:** $\frac{1}{26}$ of average of 2 highest quarters. **Alaska:** if over 90% of wages earned in one quarter, base period will be the other 3 quarters times 10. **Colorado:** 60% of $\frac{1}{26}$ of 2 highest consecutive "base period" quarters up to 50% of SAWW or 50% of $\frac{1}{52}$ of base period earnings up to 55% of SAWW, whichever is greater. **Delaware:** $\frac{1}{46}$ of total wages in two high quarters if trust fund balance is \$90 million or more, $\frac{1}{52}$ of total wages in two high quarters if fund is less than \$90 million. **Georgia:** $\frac{1}{42}$ of sum of 2 highest quarters or $\frac{1}{21}$ of HQ if secondary calculation is required. **Illinois:** 47% of claimant's wages in highest 2 quarters divided by 26. **Kentucky:** of the total base period wages. **Louisiana:** $\frac{1}{25}$ of average of four quarters, also the WBA reflects a 5% increase and a 20% increase from the computation. The computation is increased and discounted each calendar year based on the state UI trust fund balance. **Maine:** $\frac{1}{22}$ of the average of the two highest quarters. **Massachusetts:** if AWW is more than \$66, WBA is $\frac{1}{52}$ of 2HQ, or $\frac{1}{26}$ of HQ if the claimant has no more than two quarters of work. **Minnesota:** computed by $\frac{1}{104}$ of claimant's base period wages. **Missouri:** 4% of average of two highest quarters. **New York:** When the claimant's total base period wages are \$3,575 or less, the weekly benefit amount is $\frac{1}{25}$ th of the high quarter wage. A claimant may also request, within 10 days of being notified of their eligibility and only if claimant worked at least 20 weeks during BP, to have their WBA recomputed based upon half their average weekly wage during the BP that established their eligibility. **North Carolina:** total wages in highest quarter divided by 26 and rounded down to the nearest whole dollar. **North Dakota:** $\frac{1}{65}$ of sum of total wages in highest two quarters and $\frac{1}{2}$ wages in third highest. **Ohio:** dependents' allowances available only to claimants who exceed maximum WBA earnings requirement. **Pennsylvania:** $\frac{1}{23}$ - $\frac{1}{25}$ or 50% full-time weekly wage, whichever is greater. **South Carolina:** 50% of average weekly wage in high quarter. **Vermont:** computed as wages in the two highest quarters divided by 45 but not more than the maximum. **Virginia:** $\frac{1}{50}$ of total wages earned in two highest quarters.
3. When two amounts are given, higher figure includes dependents' allowances. Augmented amount for maximum weekly benefit amount includes allowances for maximum number of dependents.
4. **District of Columbia, Maryland, New Jersey:** maximum is the same with or without dependents. **Rhode Island:** minimum WBA is \$68 + \$10 per dependent up to \$118; maximum WBA is \$528 + DA up to \$660.
5. Among states with maximums computed as a percentage of State Average Weekly Wage (SAWW)-- **Idaho:** tied to employer tax rate. **Iowa:** 53% for claimants with no dependents, other percentages ranging from 55% to 65% apply to claimants with one or more dependents. **Kentucky:** annual increase limit depends on UI trust fund balance, no increase if tax schedule increases from previous year. **Louisiana:** maximum WBA varies according to trust fund balance. **North Dakota:** 62% of SAWW unless the average contribution rate paid by employers was below the national average, then it will be 65%. **Ohio:** adjusted annually to change in SAWW. **Oklahoma:** the greater of \$197 or 60%-50% of SAWW depending on condition of the fund. **South Carolina:** maximum permitted by law, currently administratively set at 50%. **Utah:** 62.5% of insured average fiscal year weekly wage. **Vermont:** maximum adjusted annually to change in SAWW, unless there are outstanding Title XII loans. **Wyoming:** maximum frozen and if revenues are insufficient to pay benefits or repay loans maximum reduced to 85% of maximum.
6. **Connecticut, Missouri:** average of two highest quarters. **Delaware, Virginia:** highest two quarter earnings. **Massachusetts:** with earnings in two or fewer quarters, or as the average of the two highest quarters with earnings in three quarters or more. **Washington:** average of two high quarters.
7. **New York:** the qualifying high quarter wage needed for benefit eligibility has been capped at 22 x maximum wba. **New Jersey:** minimum wages under alternative earnings criterion is \$7,200 for claimants with less than 20 base weeks. **Rhode Island:** WBA is established based on 4.62% of the highest base period quarter wages and is not determined by total base period wages. **Utah:** unless claimant qualifies with 20-week alternative provision by working at least 20 weeks during BP and earning at least 50% of minimum BP wages each week. **Vermont:** subject to change each July 1st. **Washington:** must earn at least \$14,052 in two different base period quarters, since for a maximum weekly benefit amount, the average of two high quarters must be \$14,052 to receive \$541.

FOOTNOTES FOR TABLE 18 - Continued

8. **Arkansas:** amounts effective through June 30, 2009.
9. **Texas:** the computed benefit amount is rounded to the nearest whole dollar.
10. **Montana:** if tax schedule 0 (zero) is in effect, the percentage is 67.5%. If tax schedule 1 or higher is in effect, the percentage is 66.5%.