

# Model State Legislation: Dependent Allowance

*This model state legislation is part of the Unemployment Insurance Policy Hub created by the National Employment Law Project as a reference guide for state advocates to support efforts that will strengthen the economic security of workers and their families. For other Policy Hub resources, see [www.uipolicyhub.org](http://www.uipolicyhub.org).*

## Introduction

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Below is model state legislation that you can use to implement the policy recommendations from our dependent allowance policy advocacy brief [LINK]. Specifically, this model would create a weekly unemployment insurance (UI) dependent allowance that would provide parents and caregivers receiving UI additional benefits for each qualifying dependent. If your state already has a dependent allowance, this model can also be used to reform it to ensure it meets the needs of and is accessible to all eligible workers with caregiving responsibilities.

Implementing this model legislation will allow workers receiving UI to get an additional benefit amount each week based on how many dependents they have. Dependents are defined broadly to capture a comprehensive category of individuals for whom workers provide financial support. It offers three different options for how to calculate the dependent allowance amount. Each option is intended to create a simple, universal calculation that would provide workers with at least \$50 a week per dependent. All the options also index the amount so that it will continue to increase over the years and will not require additional legislation to keep up with inflation. Please see the dependent allowance brief [LINK] for information and context around the various options, as well as additional resources to support this model.

Please note that the process of drafting legislation can vary depending on state-specific legal and policy issues. For example, your state may already have a dependent allowance and so this model would need to be changed to fit within the current law. Or the model may need to be adopted to match your state's existing UI law terms and definitions. Please contact [uihelp@nelp.org](mailto:uihelp@nelp.org) for more information on how to adapt or customize the model. A downloadable text version of this model state legislation is available [LINK].

## Model State Legislation

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### Section 1. Findings and Declarations

The Legislature finds and declares the following:

- (a) A meaningful dependent allowance that supports families in times of unemployment also supports economic growth and stability in the state.
- (b) Unemployment insurance (UI) benefits are one of the most efficient and well-targeted means of economic stimulus: during the Great Recession, it is estimated that every dollar of UI benefits produced about two dollars of economic impact.
- (c) Dependent allowances support families in a time of economic crisis and keep families out of poverty.
- (d) Ensuring equitable access to UI for all jobless workers are matters of statewide concern.

**Section 2. Definitions** [Note: State law may already define these terms. If so, reference the applicable state law definitions].

**"Agency"** means [Enter the name of the state agency that administers unemployment insurance].

**"Child"** means a biological, adopted, foster, stepchild, or legal ward of the individual or any other person to whom the individual stands in loco parentis.

**"Dependent"** means any of the following persons who receive at least half of their financial support from the individual claiming benefits:

- (1) A child under the age of 18.
- (2) A child between 18 and 26 years old who is a full-time student as defined by their educational institution, at a secondary school, vocational school, community or junior college, college, or university.
- (3) A person 18 years of age or over who is incapable of self-care because of a mental or physical disability as set forth in the Family and Medical Leave Act of 1993 (P.L. 103-3).
- (4) A spouse or domestic partner of the individual.
- (5) A person who is 60 years of age or older.

**"Highest-earning quarter"** means the calendar quarter in the individual's base period where they earned the most wages.

**"Price index"** means the "Consumer Price Index for All Urban Consumers (CPI-U), Series Title: All items in U.S. city average, all urban consumers, seasonally adjusted" as maintained by the U.S. Bureau of Labor Statistics.

[Note: Find CPI data here: <https://www.bls.gov/cpi/data.htm>. This definition is applicable for Option 1 below.]

**"State average weekly wage"** means the average weekly wage paid by employers to employees covered by unemployment insurance as reported by the United States Department of Labor for [insert name of state]. [Note: Find your state's AWW at:

[https://oui.doleta.gov/unemploy/data\\_summary/DataSum.asp](https://oui.doleta.gov/unemploy/data_summary/DataSum.asp). This definition is applicable for Option 2 below.]

**Section 3. Dependent Allowance** [See the dependent allowance brief [LINK] for information and resources on how to customize the amount].

***Option 1 – Flat Rate Dollar Amount that Increases Annually Based on Consumer Price Index***

(a) For benefits paid on or after [insert start date] an individual eligible for at least \$1.00 in unemployment benefits in any week shall receive a dependent allowance of \$50.00 for each dependent [Note: The suggested amount is \$50, but adapt the amount to reflect the needs of workers in your state.] The dependent allowance amount allowed for each dependent shall be annually increased on March 1<sup>st</sup> by the amount determined by the Agency to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent. The Agency shall report the annual increase of the weekly dependent allowance amount to the legislature and prominently publish the current dependent allowance amount on their public website.

***Option 2 – Percent of the State’s Annual Average Weekly Wage***

(a) An individual eligible for at least \$1.00 in unemployment benefits in any week shall receive a dependent allowance in an amount equal to 4% of the state’s average weekly wage for each dependent. [Note: Use a percentage based on your state’s average weekly wage that equates to roughly \$50.] The state average weekly wage for a calendar year is computed on the basis of the 12 months ending the June 30 immediately before that calendar year. The Agency shall report the annual dependent allowance amount to the legislature and prominently publish the current dependent allowance amount on their public website.

***Option 3 – Percent of the State’s Annual Average Weekly Benefit Amount***

- (a) An individual eligible for at least \$1.00 in unemployment benefits in any week shall receive a dependent allowance in an amount equal to 25% of the state’s annual average weekly benefit amount for each dependent. [Note: Use a percentage based on your state’s annual average weekly benefit amount that equates to roughly \$50.]
- (b) An individual’s total weekly benefit amount shall not exceed 100% of the individual’s average weekly wage from their highest-earning quarter.
- (c) The Agency shall request information relating to whether an individual has any dependents as part of the initial application for benefits.
- (d) The number of dependents established for an individual at the beginning of the benefit year shall remain in effect during the entire benefit year.
- (e) Dependency status of a dependent, once established in favor of an individual, cannot be used by another individual with respect to the same week.
- (f) The Agency shall provide notice of the weekly dependent allowance amount, the dependents that are established for the individual, and the calculation used to determine the allowance in the individual’s monetary determination.

- (g) Dependent allowance amounts shall be considered part of the individual's benefit amount and subject to the same due process and appeal rights.
- (h) Employers shall not be charged for the dependent allowance portion of the benefit amount and an employer is not an interested party with respect to the dependent allowance and does not have any right to contest it.

**Section 4. Data Collection and Reporting**

- (a) By the end of the month following each completed calendar quarter, the Agency shall provide a written report regarding the dependent allowances provided under this section to the legislature and make the report publicly available in a prominent location on the Agency's website.
- (b) The report must include all the following information from the immediately preceding quarter deidentified and disaggregated by race, ethnicity, gender, location, and poverty level:
  - (i) The total number of individuals claiming a dependent allowance.
  - (ii) The average weekly dependent allowance amount.
  - (iii) The average number of dependents an individual is claiming, broken down by the type of dependent.
  - (iv) Information on the number of dependent allowance appeals filed and the outcomes of those appeals.