Understanding UI Financing, Business Climate, and Employee Coverage Issues

For better or for worse, UI contains several areas of legal and policy complexity. Advocates frequently find that they must become instant experts as technical UI issues arise out of the blue in states. This chapter covers a number of issues that arise as a direct result of a proposed change in UI taxes, or indirectly when a proposed change makes underlying knowledge of UI financial issues essential for engaging on a related issue. Unfortunately, the severe financial strain put on state UI trust funds during the Great Recession and its aftermath have made greater understanding of UI financing and payroll taxation issues explained here relevant to many UI benefit discussions. We also include helpful information for use in recurring business climate debates surrounding UI programs.

In addition, recent years have seen state legislative activity in somewhat arcane areas like statutory definitions for covered employees and measures that exclude groups of employees from UI eligibility. Chapter 3 of the Toolkit furnishes readers with a technical but accessible overview of these issues.

Resources:

William Haber and Merrill G. Murray, Unemployment Insurance in the American Economy. (Richard D. Irwin, Inc. 1966).