

Model State Legislation: Monetary Eligibility

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.

Introduction

Below is model state legislation that you can use to implement the policy recommendations from our [monetary eligibility policy advocacy brief](#). Specifically, the model is meant to reform your state's monetary eligibility standards to qualify for unemployment insurance (UI) to ensure underpaid, part-time, temporary, and seasonal workers are not denied UI when they lose their job simply because they did not earn enough wages or work enough hours prior to losing their job. Implementing this model will provide benefits to more women, transgender workers, people with disabilities, and workers of color who, due to structural racism, sexism, and occupational segregation are overrepresented in these types of work.

The model offers different reform options depending on what your state's current monetary eligibility standards are and what is feasible given the political landscape in your state. In Section 3, the first option, adopting an hours worked approach, is the most equitable and comprehensive and would provide the most expansive access to UI. However, most states do not currently use an hours worked standard. Therefore, we have included two additional options that would also expand access, but may still exclude some workers. Please see the [monetary eligibility brief](#) for more 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, every state already has an established law setting the monetary eligibility standards for UI. So, the suggested hour and dollar amounts used below may need to be adjusted to meet the needs of your state's workers as well to ensure they are more expansive than current monetary eligibility standards. Similarly, the model language may need to be adopted to use the right terms and definitions to match existing state law. Please contact 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 [here](#).

Model State Legislation

Section 1. Findings and Declarations

The Legislature finds and declares:

- (a) That ensuring equitable access to unemployment insurance (UI) for all jobless workers are matters of statewide concern.
- (b) Current monetary eligibility standards exclude many underpaid, part-time, and temporary workers who are disproportionately women and workers of color.
- (c) 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. Current monetary eligibility standards limit access to UI benefits, restraining the effect of UI as an automatic stabilizer, which harms our state's economic growth.
- (d) Increasing access to UI allows workers to find better matched jobs, which benefits workers and employers alike. UI benefits ensure unemployed workers have the resources necessary to seek suitable long-term work that best matches their skills and needs. This also benefits employers because it makes their business more efficient and reduces turnover costs.

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].

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

“Wages” means all remuneration payable to an employee for personal services, whether by private agreement or consent or by force of statute, including commissions and bonuses, and the reasonable cash value of all remuneration payable to an employee in any medium other than cash.

“Work history” means the number of hours an individual worked in the specified time period.

Section 3. Monetary Eligibility Standard [Please see the monetary eligibility brief [LINK] for more information on how to customize the amount to meet the needs of your state's workers].

Option 1 – Hours of Employment:

- (a) In addition to any other eligibility requirements, to qualify for benefits an individual must have performed at least 200 [300 if using a 6-quarter base period] hours of work as an employee in their base period.

Option 2 – Flat Rate Dollar Amount:

- (a) In addition to any other eligibility requirements, to qualify for benefits an individual must have earned at least \$1,450 in wages in their base period. [\$1,450 is based on working 200 hours at the federal minimum wage (\$7.25)].

Option 3 – Flat Rate Dollar Amount & Highest Earning Quarter:

- (a) In addition to any other eligibility requirements, to qualify for benefits an individual must have earned at least \$1,450 in wages in their base period and at least \$1,000 in wages during their highest-earning quarter. [\$1,450 is based on working 200 hours at the federal minimum wage (\$7.25)].

Section 4. Base Period

- (a) An individual’s base period shall be the last six completed calendar quarters immediately preceding the first day of an individual’s benefit year. [Use this to implement a permanent 6-quarter base period].
- (b) If an individual does not meet the monetary eligibility requirements using the regular base period, the Agency shall include the individual’s wages or work history during the incomplete calendar quarter in which the individual files a claim to determine monetary eligibility. [Use this to implement an Alternative Base Period. If current base period does not include **the most recently completed quarter**, then add “from the most recently completed calendar quarter and” prior to “incomplete calendar quarter”].
- (c) If the individual does not have sufficient wages or work history in their base period or the incomplete calendar quarter in which the individual files a claim to meet the monetary eligibility requirements because of illness, disability, caregiving responsibilities, or carceral status, the Agency shall include the individual’s wages and employment history in the last four completed calendar quarters immediately preceding their regular base period to determine monetary eligibility. [Use this to implement an Extended Base Period].

Section 5. Reporting Requirements

- (a) Employers shall report to the Agency the number of hours each employee worked as part of their normal reporting requirements. [Note: You must include this subsection if you chose Option 1 above. However, even if you do not choose Option 1, you may still choose to include this subsection because having employers report employee’s hours can be helpful for many reasons.]
- (b) If the agency does not have the individual’s accurate wages or work history to determine if they meet monetary eligibility requirements, the Agency shall request such information from the employer or accept proof of such wages and employment history from the individual including, but not limited to, an individual’s statement of wages, paystubs, tax records, or other similar documents.