

One week waiting period will be reinstated at the start of new claims established on or after July 1, 2012. A person claiming UI benefits will have to wait one week after they are laid off to collect. They will still get the full 26 weeks of benefits, just delayed by 1 week.

- The waiting period sunsets in 2017 or when the trust fund returns to a positive balance, whichever is later.
- NOTES: In most cases, workers are paid in arrears, meaning they are getting their last pay check the first week of being unemployed. Studies have shown that a one-week waiting period positively impacts return-to-work rates. Vermont is one of only 12 states that did not have a waiting period.

Exempted part time earnings while collecting UI benefits will change for new claims established on or after July 1, 2012.

- New system will exempt \$40.00 or 30% of wages (whichever is greater) of wages earned.
- Example: A person who was filing and getting \$400 in unemployment benefits and then finds part-time work and earns \$200, will receive \$140 in unemployment PLUS the \$200 earned from working.
- Advantages to new system include: smoother transition to full-time employment; removing the existing cliff; and greater incentive for claimant to accept full-time work rather than limiting to part-time.

OTHER PROVISIONS: Implemented January 1, 2011

Reporting: The Commissioner of VDOL will expand annual reporting beyond the Governor to the committees of jurisdiction.

- The reports will be specific as to the health of the fund including any recommendations for action to ensure the continued health of the fund.
- There will also be a comprehensive review in 2013 on the progress of this legislation.

Trust fund projections capability: VDOL will work with the Joint Fiscal Office to utilize USDOL modeling capabilities. Presently, only VDOL has access to this capability.

Self employment assistance: Create a committee to study the possibility of implementing a Self Employment Assistance (SEA) program for UI claimants.

- Presently, someone receiving UI benefits must be "able and available" to accept a job. Typically folks starting a new business are working 40+ hours a week getting their business started. Therefore they are not "able and available" to accept a job offer with an employer making them ineligible to receive UI benefits. There are circumstances where someone may be starting a business in the evenings or weekends so they *are* "able and available" for work. In those cases they *can* collect UI benefits as long as they are willing to accept a reasonable job offer.
- Under this program, Federal law allows states to have up to 5% of UI claimants collect UI while starting a business. It essentially waives the "able and available" requirement for those receiving this assistance. This may be a very good idea for Vermont. However, there are issues with federal law for folks participating in the Self Employment Assistance program and collecting federally extended UI benefits. This needs to be examined as well as requirements to participate in entrepreneurial training and other measures of successful progress in starting a business.

Enhanced assistance to UI claimants: These provisions codify in law enhanced efforts by VDOL to help assist unemployment claimants in getting back to work, including making these services a priority in regional offices.

- VDOL shall implement re-employment services in regional offices utilizing available grants or other resources. Further, claimants will be required to participate in re-employment services when directed.

Technical corrections: Additional technical corrections are needed to bring UI law in to compliance, access additional federal funds and make the statute more understandable.

- Fix the "training language" passed last year to enable draw down of the remaining \$9.3 million in ARRA UI funding.
- Make changes to the make-up of the State Apprenticeship Council to comply with new Federal regulations.
- Change the income tax withholding formula in the UI statute to be 24% of a claimant's federal withholding. This is in keeping with the practice of VDOL for the last 8 years.
- Rename and re-title sections of the bill to make them clearer to the reader.