Reinvigorating New York’s Jobless Safety Net: A Progress Report

Briefing for Community Leaders
Robin Hood Foundation
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Goals for Presentation

- Review crucial role of UI in the system of work supports and safety net programs.
- Update the community on our progress working on UI access.
- Share new research into barriers to collecting UI.
- Brainstorm with you about ways to increase awareness of UI among New Yorkers.
What is UI & Where does it come from

- Temporary state benefits paid to unemployed workers
  - Minimum amount of earnings
  - Searching for work and able to take a job
  - Reason for job loss must meet eligibility rules
- Up to 6 months of UI benefits per year
- Federally mandated but state funded and administered.
  - Benefits paid out of a dedicated trust fund supported by payroll taxes.
Value of Benefits

- Benefits are equal to \( \frac{1}{2} \) of a worker’s average weekly wage in their best quarter of earnings.

<table>
<thead>
<tr>
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<th>Weekly Benefit Amount</th>
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<tbody>
<tr>
<td>Maximum</td>
<td>$405</td>
</tr>
<tr>
<td>Average</td>
<td>$277</td>
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</table>
UI Can Cover a Variety of Crucial Situations

- Workers who lose their job when their business closes or they were laid off.
- Workers who are forced to quit due to personal emergencies – like domestic violence.
- Unemployed workers who need income support to complete a training course.
- Workers whose hours are cut from full-time to part-time.
The Unsung Work Support / Safety Net

- Key Safety Net – UI is a first responder to economic distress and prevents people from falling into poverty, and needing welfare or housing assistance.

- Key Work Support – UI is an earned benefit that facilitates transitions between jobs.
  - Eligibility is based on work history.
  - UI should be seen as part of a package of work supports along with EITC, etc.
Total Payments in NY State - FY 2004 in $ Billions

- Unemployment Benefits: $2.56
- Food Stamps: $1.88
- Cash Assistance: $1.56
Unemployment is an ongoing reality in New York City

- In 2004, 600,000 city residents experienced unemployment and 2/3 of these had worked for part of that same year.
- UI provides a major boost to these families and communities.

<table>
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<th>Annual Benefits - Per Recipient</th>
<th>Total UI Recipients</th>
<th>Total UI Benefit Payments</th>
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<tbody>
<tr>
<td>Bronx</td>
<td>32,285</td>
<td>$155,000,000</td>
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<tr>
<td>Brooklyn</td>
<td>59,527</td>
<td>$277,000,000</td>
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<tr>
<td>Manhattan</td>
<td>36,562</td>
<td>$208,000,000</td>
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<tr>
<td>Queens</td>
<td>45,690</td>
<td>$246,000,000</td>
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<tr>
<td>Staten Island</td>
<td>9,715</td>
<td>$51,000,000</td>
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<tr>
<td>Total</td>
<td>183,779</td>
<td>$937,000,000</td>
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Share of Jobless Workers Receiving Benefits - 2005

41%  45%  52%  55%  59%

NY  CT  MA  PA  NJ
The UI Program Could Do Even More for New York Families & Communities

- Less than half of jobless workers in New York State receive unemployment benefits.

- Only 60% of NY State’s jobless apply. Most non-applicants think they are ineligible.

- Low-wage workers in New York City are only half as likely to receive unemployment benefits as high-wage workers.
Why we are trying to mobilize the community on UI

- **Great need:**
  - New York City residents could collect $200-$250 million more per year in state UI benefits if more people applied.

- **Getting benefits is not always easy:**
  - Workers won 35% of contested cases in 2004 compared to 60% in 1984.

- **Community Intervention Can Help:**
  - Assistance to jobless workers after 9/11 temporarily increased recipiency by 24%.
  - Assistance consisted of legal services, counseling by CBOs, outreach by unions, etc.
Helping More New Yorkers Collect UI

Part II – Debunking 5 UI Myths
UI MYTH: I can’t get UI because I was fired.

- **Fact:** Many people who are fired get UI. To be disqualified from UI, you must have been fired for “misconduct” which is intentionally ignoring your employer’s rules. Misconduct DOES NOT include:
  - poor performance
  - making a mistake
  - your boss not liking you.
UI MYTH : I can’t get UI because I quit my job.

Fact: You may be eligible for UI if you can show that you quit for “good cause.” Examples of good cause include:

- Employer violating employment laws such as minimum wage and overtime.
- Leaving a job due to circumstances arising from domestic violence.
- Spousal or domestic partner relocation
UI MYTH: I’m ineligible for UI because I’m not a US Citizen.

- Fact: You do not have to be a US Citizen to collect UI.
- The key is that you must have valid work authorization to work in the US that is not tied to a specific employer.
- The following categories can collect UI:
  - Legal permanent resident (green card holder)
  - Refugees and asylees
  - VAWA applicants
  - Some people who are adjusting status (awaiting green cards.)
UI MYTH : I am not eligible for UI because I worked “off the books.”

- You can still get UI if you were working off the books, as long as you are legally authorized to work, and can prove your earnings through:
  - check stubs
  - receipts, bank statements and/or
  - sworn statement.
UI MYTH: I didn’t earn enough to be eligible for UI. I didn’t work long enough for my last employer.

- Fact: Only a small number of claimants are ineligible for not having enough earnings.
  - Many minimum wage workers, and part time workers earn enough to be eligible.
  - There is no minimum amount of time that a worker must have worked with a single employer.
Monetary Eligibility Rules:

1. The high quarter earnings must be at least $1600.
2. The other three quarters combined must equal at least one half of the high quarter earnings.
3. Claimant must have earnings in at least two different calendar quarters.
How much do I need to earn?

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<tr>
<td></td>
<td>$400</td>
<td>$0</td>
<td>$1600</td>
<td>$400</td>
<td>X</td>
<td>Filing quarter</td>
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Increasing Access to UI in New York: Recent Progress

- Limited English Proficiency Access
- UI screening on benefits calculators
- Increased resources for UI representation
Increasing Access for LEP Claimants

- Telephone application for many languages.
- UI handbook available in English, Spanish, Russian, Haitian Creole and Chinese.
- Interpretation provided at UI hearings.
UI Screening Added to the Self Sufficiency Calculator

- Self sufficiency calculator used by caseworkers city-wide to determine public benefit eligibility.
  - Calculator used at all Single Stop sites.
- UI screening based on simple questions about.
  - Work history, UI application status, and reason for job loss.
  - Goal: Identify potential UI applicants not to determine exact benefit amounts.
New UI Legal Representation Project

- First-time public support to Legal Services for legal advice & representation of unemployed workers.
  - Fills in a gap in services: represented claimants are twice as likely in hearings.
- City-wide Legal Services for New York Unemployment hotline connects callers to free legal services in neighborhood offices.
  - Hotline Number: 646-442-3332
Helping More New Yorkers Collect UI

Part III – New Perspectives on the UI Program
Supporting Families in Need Through the UI System

- New York’s UI system allows claimants who face job loss resulting from family & personal crises to collect UI.

- Women and low-income claimants are more likely to leave work due to illness or lack of childcare.
  - Women are more likely to quit work due to a problem with their family caregiving arrangements.
  - Low-wage workers are less likely to have health care, sick and vacation leave, or the income to hire outside caregivers.
Identifying Acceptable Quits

- Claimants who quit due to illness or lack of childcare will likely be eligible when they make efforts to protect their job.

- For illnesses, eligible claimants must:
  - obtain a pre-quit doctor’s note
  - pursue alternatives, including unpaid leave of absence or shift changes, offered by employer.

- For caregiving, eligible claimants must:
  - prove that claimant’s care is necessary
  - show a permanent assignment to a shift that precludes claimant from spending any time with child.
Extending UI While in Training

- UI claimants who enroll in DOL-approved training programs can:
  - waive the normal requirement to look for a new job and take a job offered to them, and
  - extend their eligibility for Unemployment Insurance (UI) benefits beyond the 26 week maximum (for up to six additional months).

- Both the training and the claimant must be DOL-approved.
- Known as the “599” program.
Who is Eligible For Training?

- Claimants may receive extended UI benefits while in training, if the training:
  - Upgrades existing skills or leads to more long-term employment, and
  - The training is for an occupation or skill for which there are reasonable current or expected employment opportunities.

- NOTE: Usually employment opportunities in claimants’ recent jobs must be substantially impaired.
Applying for Training

- Claimants must apply for a 599 training extension before their regular 26-week benefit period ends.

- Claimants must apply for a DOL-approved training by their 13th week of UI to receive the maximum 26 additional weeks available through Section 599.

- Extended benefits may be paid if funds are available (only $20 million allocated annually).
  - In 2005, 4,000 out of 14,500 applications were approved.
How about those benefits?

- NY State’s average weekly UI benefits are $277 per week – right at national average.
- New York ranks 48th worst out of the state’s in terms of wage replacement.
- Other high-wage, high cost of living Northeast states are more generous.
Maximum Weekly UI Benefit Amount (No Dependents)

-----|-------|-------|------|------
$405 | $465  | $497  | $521 | $528
Weekly UI Benefit - Single Mom (with 2 Kids)
Working Full Time & Earning $8 Per Hour

N.Y.  $160
Penn. $176
Mass. $183
Conn. $190
N.J.  $213
New York Can Do Better – Suggested Policy Reforms

- **Reforms to Help Middle Income Workers**
  - Increase the maximum weekly benefit to $500, and index it to inflation as is done in 32 states.

- **Reforms to Help Low-Income Workers**
  - Give low-income families a bit extra – 60% of average weekly wages rather than 50% (done in 8 states).
  - Add a dependent allowance to help parents meet extra expenditures (done in all of our neighboring states).
UI can help fill the gap for underemployed workers

- In 2005, 650,000 partial unemployment checks were paid to individuals working part-time in New York State. (8% of program).
- Benefits are paid to
  - Workers cut from full-time to part-time hours
  - UI recipients who only can find part-time work
- New York could improve this part of the program by switching to an earned income disregard system akin to welfare.
How Community Groups Can Get Involved

- Invite us to conduct a training for your staff, clients or constituents
- Refer clients with UI problems to LSNY
- Get involved with UI policy advocacy
- Contact
  - Dimple Abichandani, Legal Services for New York City
    - 646-442-3552 / dabichandani@lsny.org
  - Tosh Anderson, New York Unemployment Project
    - 212-625-0288 x 5653 / tosh@nyup.org
  - Andrew Stettner, National Employment Law Project
    - 212-285-3025 x 110 / astettner@nelp.org