

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 4 - 0 - 2
Yeas: Edwards, Monroe, Thomsen, Beyer
Nays: 0
Exc.: Girod, Starr
Prepared By: Patrick Brennan, Administrator
Meeting Dates: 4/25

WHAT THE MEASURE DOES: Allows Employment Department to use alternate definition of “base year” if doing so makes individual eligible to receive unemployment insurance benefits.

ISSUES DISCUSSED:

- Potential administrative cost savings for Department
- Reduces chance of confusion for persons not eligible for benefits

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Employment Department, created in 1933, is charged with supporting economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits, generally referred to as Unemployment Insurance (UI). To be eligible to receive benefits, an individual must have earned at least \$1,000 in wages in subject employment during the first four of the previous five quarters, as well as total wages of at least 1.5 times that of the highest quarter during the same period. Weekly benefits range from \$122 per week to \$524 per week.

When a person files a claim to receive UI benefits, the Employment Department reviews the individual’s “base year” to determine eligibility and the amount of benefits for which they qualify. The standard base year is the first four of the last five calendar quarters. If the person is not eligible for benefits using the standard base year, the claim is denied; however, the Department must also determine if the person would be eligible by using the alternate base year, which is calculated using the most recent four calendar quarters. If the person is also not eligible for benefits using the alternate base year, the Department sends information to the individual about the denied claim. Approximately 15,000 alternate based year claims were denied in 2012.

House Bill 2242 allows the Employment Department to use the alternative definition of base year, but only in circumstances where it provides eligibility for an individual to receive unemployment insurance benefits.