



Extending Unemployment Benefits for Locked-Out Workers HB 4086

Background

Lockouts occur when an employer refuses to permit its employees to continue working as a result of a labor dispute. This is different from a strike, which is initiated by the employees following grievances or a deadlocked contract negotiation. Workers in Oregon who have been locked out of their workplaces are eligible for unemployment insurance for up to six months. After six months, unemployment insurance is no longer available. Lockouts are extremely rare, and the duration of lockouts varies widely. Over the last decade there have been a total of 90 lockouts nationally, the majority of which ended prior to six months.¹

Why we provide unemployment benefits to locked-out workers?

- **Unemployment benefits provide a necessary safety net for locked-out workers** – Locked-out workers do not choose to stop working, unemployment is forced upon them during labor contract negotiations. During a lockout, workers have a difficult time finding alternative work as employers are not interested in hiring someone that will return to their original employment, where often 20 plus years of benefits have accrued. As a result, locked-out workers are placed in a state of limbo. Unemployment benefits are there to help workers and their families weather the storm during this period.

Why extend the unemployment benefits period?

- **Protect workers and families affected by lockouts** – Lockouts are hard on workers and their families. Workers and their families are forced to live on an unemployment wage requiring them to make tough budgetary choices and sacrifices. They are also placed in a state of uncertainty as the expiration of unemployment benefits draws near. Once unemployment benefits run out, workers and their families face significant financial hardship that can result in loss of home or other important necessities. Extending the unemployment benefits period is a modest step that provides some level of relief for workers and their families in what is a very challenging time for those families and workers.

What HB 4086 does?

- Provides for up to an additional 26 weeks of unemployment benefits for locked-out workers. As a result, locked-out workers would be eligible for up to 52 weeks total, or one year of unemployment benefits.
- If the lockout ends before the additional 26 weeks is up, the extended unemployment benefits would end when the lockout ends.
- Due to the health of the Unemployment Insurance Trust Fund it is highly unlikely that the bill would result in an increase in the unemployment insurance rates employers pay.

¹ Bloomberg BNA work stoppages database. Data retrieved 11/20/2015 all work stoppages with start date 1/1/1995 through 11/20/2015.