

## SB 1701 -1 STAFF MEASURE SUMMARY

### Joint Committee On The Second Special Session of 2020

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**Meeting Dates:** 8/10

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#### **WHAT THE MEASURE DOES:**

Allows person who receives unemployment insurance benefits to earn in wages the greater of \$300 or one-third of individual's weekly benefit amount before their weekly unemployment benefit amount is reduced. Applies to benefits payable for weeks beginning on or after the effective date and ending before January 1, 2022. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-1 For benefits paid after January 1, 2022, the calculation reverts back to reducing the benefit by the amount that earnings exceed the greater of ten times the minimum wage or one-third of the weekly benefit.

##### **BACKGROUND:**

Eligible unemployed Oregonian's receive a weekly benefit amount that is 1.25 percent of the worker's total wages paid in the worker's base year, subject to a minimum of \$157 and a maximum of \$673. The minimum benefit is 15% of the statewide average weekly wage (SAWW) for the preceding calendar year. The maximum weekly benefit amount is 64% of the statewide average weekly wage.

Under current law, a worker is eligible to receive unemployment insurance (UI) benefits even if they work; however, the UI benefit they receive is reduced by the amount that their weekly earnings exceed the greater of ten times the minimum wage or one-third of their weekly UI benefit. As an example, a person living in the Portland area who normally receives a weekly UI benefit of \$350 would have their weekly UI benefit reduced to \$257 if they had job earnings of \$225. The same person living in a non-urban area would have their benefit reduced to \$241.

Senate Bill 1701 temporarily changes how UI benefits are calculated for a person who has weekly earnings. The UI benefit a person receives will be reduced by the amount that their weekly earnings exceed the greater of \$300 or one-third of their weekly UI benefit. In both examples above, the weekly UI benefit would not be reduced.