

SB 1701 A STAFF MEASURE SUMMARY

Carrier: Sen. Monnes Anderson

Joint Committee On The Second Special Session of 2020

Action Date: 08/10/20

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 3 - Johnson, President Courtney, Steiner Hayward

Nays: 2 - Findley, Girod

House Vote

Yeas: 5 - Drazan, Holvey, Rayfield, Smith G, Speaker Kotek

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 8/10

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:

- Amount of IT hours to implement change in calculation
- Whether employers will see UI tax rate increases due to this measure
- Whether implementing measure will cause claims processing to slow
- Whether provisions should sunset sooner than January 1, 2022
- How Employment Department prioritizes IT projects

EFFECT OF AMENDMENT:

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 percent of the statewide average weekly wage (SAWW) for the preceding calendar year. The maximum weekly benefit amount is 64 percent 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. The Employment Department, however, uses the highest minimum wage (Oregon has three regional minimum wages) when calculating benefits. As an example, a person 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.

SB 1701 A STAFF MEASURE SUMMARY

Senate Bill 1701-A 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 the example above, the weekly UI benefit would not be reduced because the worker's earnings are less than \$300.