

2009 Best Practices Tip

Partial Unemployment and Earnings Disregard

What Constitutes a Partial Week of Unemployment?

All states provide for the payment of unemployment benefits when underemployment reaches a certain level. In most states, a worker is partially unemployed during a week of less than full-time work if earnings from the regular employer (or odd-job earnings) are less than the weekly benefit amount (WBA). Most states use the individual's earnings to determine partial benefits and not the number of hours worked in a given week. Individuals may be found eligible for benefits in all states due to reduced hours or temporary layoffs of even just a couple days.

How Do States Determine Eligibility for Partial Unemployment?

Each state has a specific method of determining eligibility for Partial Unemployment. The calculations are typically based on the individual's earnings, state-specific **disregarded earnings**, and the individual's calculated WBA. The **disregarded earnings** are established by each state and may be a specific dollar amount, a portion of the individual's earnings, or a portion of the individual's WBA which gets disregarded from their actual income for that week.

The amount of benefits for a week of partial unemployment is usually the WBA less wages earned, after the earnings disregard.

Example:

In the state of Maryland the earnings disregarded in computing partial week benefits is \$100. This means if an individual has an established WBA of \$300, and they earn \$275 during a partial week, the state will disregard the first \$100 of their earnings. This leaves \$175 of recognized income for that week. This \$175 will be reduced from the WBA, leaving total a total benefit payment of \$125.

For information relative to your state of operation, please see attached charts.

What About the Earnings the Employee Received During the Week Claimed?

Any earnings received by the claimant, less the state-specific earnings disregard, during the timeframe in which benefits are received, will typically be reduced from the WBA.

What Should I Expect on These Types of Claims?

TALX will work with the state agencies on behalf of your company in handling these claims to ensure minimal effort by your organization and accurate, timely benefit payments to your employees. However, due to the nature of these cases and the importance of earnings information, TALX will usually request current or prior week earnings information on a more frequent basis.

If you have additional questions related to this subject matter, or if you have suggested material for future monthly unemployment tips; please notify your TALX Client Relationship Manager.