

Protect Partially Unemployed New Yorkers!

Pass S.6572 and A.7278a Now!



Bills [S.6572](#) and [A.7278a](#) ensure that underemployed New Yorkers can access critical jobless benefits and that current claimants maintain their connection to work by:

1. Replacing the current eligibility requirements with a partial unemployment insurance (UI) system based on a claimant's weekly part-time earnings rather than days worked;
2. Allowing that claimants can earn significant wages from part-time work with no reduction in benefits (applying what's known as a partial benefit credit); wages in excess of the credit are then deducted from the full benefit; and
3. Providing that anyone with significant part-time earnings on one day per week, up to a certain amount, will receive 75% of her full benefit.

By relying on the unusual “effective days” concept, New York’s UI program fails to protect workers facing reduced hours and earnings, particularly low-wage workers with unstable schedules.

- Under current law, when a claimant works for any portion of one day, whether or not she's paid, her benefit is cut by 25%; her benefit is cut to \$0 once she works four days.
- Current law is especially unfair to low-wage workers who must work a greater number of hours and days in order to earn enough to meet basic expenses. Consider two claimants, one who receives a \$405 benefit; the second receives \$150. They both earn \$160 for part-time work, but because the low-wage claimant worked on four days, she's ineligible for UI (**Table 1**).

New York’s UI program discourages claimants from returning to part-time work, further straining our UI reserves.

- By imposing such a steep penalty for any earnings at all, New York's current UI program may discourage part-time reemployment, particularly among claimants with three or more days of part-time work.
- For example, if someone eligible for a \$300 benefit is offered a job spanning three days and paying \$200, her total income would be \$275 (\$200 in earnings plus a \$75 partial benefit)—\$25 less than the \$300 benefit she would receive were she totally unemployed (**Table 2**).

Bills [S.6572](#) and [A.7278a](#) would bring our UI program in line with the rest of the U.S. (except North Carolina) by basing the definition of partial unemployment on the amount of part-time earnings and by disregarding some earnings before reducing benefits.

- This legislation defines partial unemployment as a week of part-time work paying less than 1.5 times a claimant's full benefit. So, a worker eligible for a \$250 benefit may collect a partial benefit as long as she earns less than \$375 working part time.
- This legislation also disregards a portion of earnings worth 50% of a claimant's full benefit, known as a “partial benefit credit.” So, claimants earning more than the credit will take home their wages plus the *difference* between their full benefit and any wages in excess of the credit (**Table 2**). Claimants with part-time earnings worth less than the credit will see no reduction in benefits.

With an outstanding federal UI loan worth over [\\$3 billion](#), Governor Andrew Cuomo and legislative leaders should seriously consider the cost-savings potential of [S.6572](#) and [A.7278a](#).

- If New York made the same percentage of payments for partial unemployment as neighboring states (CT, NJ, and PA), it would have saved the trust fund \$515 million over the downturn—funds which could have helped prevent the deep insolvency the state’s program faces today.
- When structured properly, partial benefits encourage claimants to return to part-time work while they continue looking for more stable employment. Their reduced benefits supplement their part-time earnings; they maintain a stronger connection to work, which better positions them for permanent job opportunities. In turn, NY pays fewer benefits and collects greater revenues from taxes on wages.

Table 1. New York’s Current Partial UI Law is Unfair to Low-Wage Workers

	Full Benefit	Hours, Wage	Days Worked	Partial Benefit	Total Income
High Earner	\$405	8 hours, \$20	1	\$303	\$464
Low Earner	\$150	20 hours, \$8	4	\$0	\$160

Table 2. UI Claimants Who Accept Significant Part-time Work Come Out Financially Ahead Under [S.6572](#) and [A.7278a](#) (table models three days of work)

Partial UI Law	Partial Benefit Credit	Amount Full Benefit Reduced	Partial Benefit	Total Income	Ratio Total Income to Full Benefit
High Earner: \$405 Full Benefit, \$300 Part-time Earnings					
Current Law	\$0	\$304	\$101	\$401	1.0
S.6572/A.7278a	\$203	\$98	\$308	\$608	1.5
Average Earner: \$300 Full Benefit, \$200 Part-time Earnings					
Current Law	\$0	\$225	\$75	\$275	0.9
S.6572/A.7278a	\$150	\$50	\$250	\$450	1.5
Low Earner: \$150 Full Benefit, \$100 Part-time Earnings					
Current Law	\$0	\$113	\$38	\$138	0.9
S.6572/A.7278a	\$100*	\$0	\$150	\$250	1.7

Table 2 Explanation:

1. Current Law: Reduces the Full Benefit by 25% for one day of any work. Any work on three days means the Full Benefit will be cut by 75%; in this case, the Partial Benefit equals the Full Benefit / 4.
2. S.6572/A.7278a: First disregards part-time earnings worth 50% of the Full Benefit, and then takes the difference between the Full Benefit and the value of earnings above the Partial Benefit Credit (shown under Amount Full Benefit Reduced).
3. Low Earner: Claimant shown here is eligible for a partial benefit credit of \$100 (marked with *), as S.6572 and A.7278a provide for a credit worth 50% of a claimant’s full benefit, or \$100, whichever is greater. This will apply to claimants eligible for a full benefit of less than \$200.