SB 463 Ends Rule Barring Many Part-time Workers From Collecting Unemployment Benefits

SB 463 would acknowledge the important role that part-time workers play in today’s workforce by eliminating the outmoded rule that unemployed workers with a history of part-time work can collect benefits only if they search for full-time employment.

The Problem: Many part-time workers can’t collect unemployment benefits

Today, when Oregon workers who have consistently labored part time lose their jobs, they cannot collect unemployment benefits unless they are willing to take a full-time job. This is true even though employers pay unemployment insurance taxes on part-time workers’ wages, just as they do for full-time workers.

Currently, one in four Oregon workers labors part time.¹ Most are women, and many are low-wage workers. Part-time workers contribute a substantial share of household income — 24.1 percent on average nationally.²

Restrictions on part-time workers are part of the reason why many women and low-wage workers lose out on unemployment protections. In 2007, only 37 percent of unemployed women in Oregon received unemployment benefits, compared to 46 percent of unemployed men.³ And low-wage workers are half as likely as higher-wage workers to receive unemployment benefits, even though they are more than twice as likely to be unemployed.⁴

For many part-time workers, full-time work is not a reasonable option. Some may be balancing work with caretaking responsibilities, for example.

The Fix: Allow part-time workers to search for part-time work

By enacting SB 463, Oregon would join 23 other states and the District of Columbia that already have part-time eligibility laws.⁵ Workers with a steady history of part-time work would be allowed to restrict their job search to similar part-time work while they collect unemployment benefits.

The federal stimulus bill, the American Recovery and Reinvestment Act of 2009, provides incentive funds for states to improve their unemployment insurance systems.⁶ If Oregon adopts an “alternative base period” as set forth in SB 462, the state would gain an estimated $91 million.⁷ These federal funds could be used to defer some of the additional costs associated with implementation of SB 463 as well as other modernization efforts.

The Benefits: Acknowledge part-time workers and help struggling families

Oregon’s Employment Department estimates that SB 463 would allow about 9,000 additional workers to claim unemployment benefits each year.⁸ By offering partial wage replacement, these benefits can help shore up family finances.
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Endnotes


3 OCPP analysis of Oregon Employment Department and Bureau of Labor Statistics data.


7 The American Recovery and Reinvestment Act of 2009 (HR 1) provides Oregon an estimated $6 million for administration of unemployment insurance programs; if Oregon implements an alternative base period, it will get an additional $85 million to be used for unemployment insurance benefits. Oregon would not have to enact SB 463 in order to qualify for the federal funding. NELP, *Implementing the Model Provisions*.


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