

Support SB 270 / HB 310 - Unemployment Insurance for Part-Time Workers **Increasing Economic Security by Expanding Coverage to Part-Time Workers**

Bill Supported By

Maryland Chamber of Commerce
Maryland Retailers Association
Labor Unions
Advocates for Workers

The Challenge

Marylanders who need to work part-time do not qualify for UI benefits.

Maryland requires all workers to seek full-time employment in order to receive UI benefits. This restriction is outdated, and was established in a time when many families relied on one full-time breadwinner.

Almost one-sixth of Maryland workers are part-time, making up an essential segment of the economy.

As of 2004, there were 358,000 Marylanders working part-time for non-economic reasons such as health limitations, family obligations, or schooling. These workers make up 13% of the state's labor force. Local businesses rely on these workers to meet their workforce needs.

Women are disproportionately affected by the current policy.

Women make up more than two-thirds of the part-time labor force. Family obligations often limit them to part-time work.

Part-time workers and their employers already pay UI taxes.

UI is paid for directly by employers and indirectly by workers, as a tax on a worker's wages. The UI tax applies to almost all workers—whether full or part time. Part-time Maryland workers could spend their whole career contributing to the system, and still be denied benefits.

The Solution – Expand Coverage to Part-Time Workers

Unemployment Insurance is an economic stimulus.

A recent report on unemployment insurance in Maryland finds that for each dollar paid in unemployment insurance benefits, an estimated \$2.15 worth of economic activity is generated.

Part-time workers are already eligible for UI in many other states.

According to the 2008 fiscal note, 30 states already provide unemployment insurance benefits to part-time workers. Maryland is behind the curve, and needs to update this element of its UI system.

Expanding UI benefits extends a critical safety net to Maryland families.

Providing benefits for part-time workers will increase the economic security of Maryland families. This change will help ensure that hardworking families can meet their basic needs, such as housing, transportation, food, and healthcare, when dealing with the sudden hardship of job loss.

How Do We Pay for It?

UI changes are general fund neutral, thanks to the dedicated UI trust fund.

Maryland has a dedicated UI trust fund into which all UI payroll taxes are credited and from which all benefits are paid. As of January 2009, the trust fund has a balance of \$680 million.

The 2008 fiscal note projected that coverage of part-time workers could lead to an \$18.4 million increase in trust fund expenditures in 2010; however, national groups project the cost to be much less.

The National Employment Law Project estimated that covering part-time workers would benefit almost 6,000 Marylanders per year and increase total UI payments by less than 2%.

For further information, contact: Melissa Broome / Job Opportunities Task Force / (410) 234-8046 / melissa@jotf.org