



# SENATE MAJORITY OFFICE

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## NEWS RELEASE

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### **Senate votes to update unemployment formula, Thousands more out-of-work Oregonians will qualify**

SALEM –Senate Bill 462 was approved by the Oregon Senate this morning, allow the state to access millions more in federal unemployment funds available through the federal stimulus package.

“This change will allow the state to access up to \$91 million in additional federal funds,” said Senator Rod Monroe (D-Portland), who carried the bill on the floor. “Given the unemployment numbers that we are facing, it’s critical we take advantage of these federal funds. This is money that will bring relief to many families across Oregon.”

SB 462 changes the formula for calculating unemployment benefits, allowing workers to count their most recent work experience when determining eligibility for unemployment insurance. Currently, eligibility is calculated on a ‘base period,’ or the first four of the most recently completed five calendar quarters. The change in SB 462 would allow claimants who have sufficient earnings in the most recent four quarters, but who fail to qualify under the existing base year, to qualify for unemployment benefits.

“Under our current system, out-of-work Oregonians are being turned away—even though they’ve just lost a job and their employers paid unemployment taxes for them while on that job,” said Senator Diane Rosenbuam (D-Portland), chair of Commerce & Workforce Development Committee. “Senate Bill 462 remedies this problem and will help thousands of unemployed Oregonians put food on the table and a roof over their heads.”

The Employment Department estimates that approximately 8% or 17,000 unemployment claims per year are denied due to lack of sufficient wages or hours worked in the base year. Approximately, one third of those claims, or 6,000, would be valid using an alternate base year. In addition, allowing an alternate base will benefit low-wage workers because they are more likely to have a history of intermittent work than are higher wage workers.

“Low-wage workers are being hard hit with this recession,” said Senate Majority Leader Richard Devlin (D-Tualatin). “Updating our unemployment formula will help those workers out, giving them credit for their most recent employment. These are benefits they’ve earned.”

In enacting SB 462, Oregon will follow the lead of 20 states and the District of Columbia that have adopted the alternative method. These jurisdictions have reported little difficulty in implementing the alternative approach. The bill will now go to the House Floor for a vote.

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