



# **UNEMPLOYMENT BENEFITS FOR “UNDEREMPLOYED” WORKERS**



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An “Underemployed” worker is one  
who

- works less than “full-time” as the employer defines that term, and
- earns less in a week than  $1\frac{1}{2}$  times his/her weekly unemployment rate

# Calculating Unemployment Benefits for Underemployed Workers:

- The unemployment benefit is reduced 50¢ for every \$1.00 of earnings in a week
- The combination of earnings and unemployment benefits payable in the week cannot exceed 1½ times the worker's weekly unemployment benefit rate.

# Calculating Unemployment Benefits for Underemployed Workers:

To work out a calculation, let's assume the following:

- The worker's weekly unemployment benefit rate is \$120 per week
- The worker earns gross wages of \$140 in the week.



# Calculating Unemployment Benefits for Underemployed Workers:

The worker earns gross wages of \$140 in the week.

Half of \$140 = \$70

# Calculating Unemployment Benefits for Underemployed Workers:

Subtracting half the worker's wages in the week (\$70) from the worker's weekly unemployment benefit rate (\$120) gives a reduced weekly unemployment benefit of \$50:

$$\$120.00 - \$70.00 = \$50.00$$

# Calculating Unemployment Benefits for Underemployed Workers:

The combination of the reduced unemployment benefit (\$50) and the worker's gross wages for the week (\$140) is \$190:

$$\$50.00 + \$140.00 = \$190.00$$



# Calculating Unemployment Benefits for Underemployed Workers:

1½ times the worker's weekly benefit rate of  
\$120 = \$180

$$1.5 \times \$120.00 = \$180.00$$

# Calculating Unemployment Benefits for Underemployed Workers:

The calculated, reduced weekly benefit amount of \$50.00 must be reduced by \$10.00 so that the combination of the reduced benefit amount and the worker's gross wages for the week does not exceed \$180.00



# Calculating Unemployment Benefits for Underemployed Workers:

The result is that the worker could draw a reduced unemployment benefit payment for the week of \$40.00

The reduced payment still reduces the worker's balance of weeks of benefits payable by one full week



# Calculating Unemployment Benefits for Underemployed Workers:

So, an underemployed worker with a weekly benefit rate of \$120 and gross wages in a week of \$140 could be entitled to a reduced unemployment benefit for the week of \$40.



# Charging Unemployment Benefits to Employer

Sometimes an employer chargeable on the claim for unemployment benefits hired the claimant as a part-time worker, the worker only worked part-time, and the worker is still working the same part-time hours.

# Charging Unemployment Benefits to Employer

The *Statement of Unemployment Benefits Charged or Credited to Employer's Account* tells the employer, on a weekly basis, how much is charged to their account for each worker.

# Charging Unemployment Benefits to Employer

The employer can request, in writing, a “noncharge” for the benefits otherwise chargeable for that worker for that week if:

# Charging Unemployment Benefits to Employer

- The employer is a “Contributing Employer” (that is, the employer has a yearly state unemployment tax rate)
- There are at least 2 employers chargeable on the claim
- The employer paid the worker at least the amount of the employer’s benefit charge for that week