



Unemployment benefits get closer for part-timers

Proposed law has divided business community

ANDY ROSEN
Daily Record Business Writer

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ANNAPOLIS — A bill that would extend unemployment benefits to people looking for part-time work has divided some members of the business community.

SB 328 would change a long-established rule that bars people from collecting unemployment unless they are looking for full-time work. It failed on the Senate floor last week, but it is up for reconsideration Tuesday.

Sen. Thomas M. Middleton, D-Charles, who heads the Senate Finance Committee that reviewed the bill, and its sponsor, Sen. Delores G. Kelley, D-Baltimore County, both said they think the bill has enough support to pass on reconsideration.

A House bill before the Economic Matters Committee would also expand coverage, but to a larger group.

The Senate bill has the support of the Maryland Chamber of Commerce and the Maryland Retailers Association, while groups such as the National Federation of Independent Business and the Restaurant Association of Maryland are against the change.

Those who oppose the bill fear it will increase costs for small firms that pay low unemployment taxes based on their histories of employee retention. Many who favor the bill argue that it is fair to part-time workers, who make up an estimated 13 percent of Maryland's work force. Part-time workers in 30 states are eligible for some level of unemployment benefits, according to a legislative analysis.

"The labor force in Maryland and across America has changed," said Thomas E. Perez, secretary of the Department of Labor, Licensing and Regulation, which oversees the state's unemployment insurance trust fund. "There are many Marylanders and people across the country who have been working at consistent part-time jobs for many years."

Maryland law allows people who have worked part time to receive unemployment benefits, assuming they meet other criteria including length of time they were employed and the amount they earned, but they must be looking for full-time work in order to qualify.

The Senate proposal would change that, which worries some. Ellen Valentino, Maryland director for the National Federation of Independent Business, said the bill could cause an increase in claims from part-time workers.

This could boost tax rates for some small businesses that now have a good record of retaining their full-time employees, she said. Unemployment taxes are calculated based on an employer's history of hanging onto its workers.

"Any which way you cut it, the small business owner will pay more under this proposal," Valentino said. "The addition of part-time workers will disproportionately affect the small business community."

She also warned that the change could deplete the reserves in Maryland's unemployment insurance trust fund, which could lead to an overall increase in unemployment taxes.

Perez, of DLLR, said the trust fund is healthy enough to handle the legal change. The expansion of benefits would cost the fund more than it would bring in, but Perez said the overall effect would be minimal.

Kelley said the bill is not as expansive as previous proposals to extend unemployment benefits. Among the restrictions that it places, workers must be available to work as many hours in a new job as they did before they were unemployed. They must also be in a labor market where there is a "reasonable demand" for part-time work.

Middleton said he understands that some businesses might pay more, but it will benefit the work force overall.

"That's the nature of the beast," he said. "Maybe they ought to look at hiring more full-time workers."

Ronald Adler, chairman of the Maryland Chamber's subcommittee on unemployment insurance, said unemployment policy requires a balancing of priorities. The chamber advocated for, and got, an amendment that clarifies that a worker's termination is due to a previous employer or the job market.

Keeping business taxes low is important, he said. But Adler also noted that it is important to make sure that people who are eligible for unemployment insurance accurately reflect the overall work force. One important function of the unemployment system is that it acts as an economic safeguard during hard times.

When people are out of work, unemployment gives them money that they can spend, which helps stimulate the economy, he said.

"We recognize that the workplace has change from what it used to be," Adler said. "We need to recognize this, and this bill attempts to do that."

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