

Ray Allen: Limits to unemployment insurance work-search waivers support Wisconsin employers & workers

Posted on Friday, Mar 10, 2017

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In 2015, Wisconsin implemented an Administrative Code change to our system of waiving work-search requirements for Unemployment Insurance (UI) claimants who expect recall from their former employers. This measure, which brought Wisconsin in line with at least 27 other states, promotes an active search for work as a tool to expand the talent pool of available workers and reduce long-term reliance on UI benefits.

To be clear, the change helps Wisconsin employers and workers.

A core tenet of UI is that an unemployed worker must be able to work, be available for full-time work, and conduct a weekly work search in order to collect UI benefits. While the work search requirement may be waived under certain conditions, such waivers are the exception, not the rule.

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Almost two years ago, Wisconsin implemented Administrative Code changes and resumed the practice, which had been in place until 2004, to limit these waivers to a maximum of 12 weeks. This includes eight weeks that can be extended by four weeks by the former employer. If unforeseen business circumstances delay a claimant's return to work beyond 12 weeks, they can still collect weekly UI benefits

if they perform work searches.

Over half of all U.S. states, including Minnesota, Indiana, and Michigan, limit the amount of time an individual who expects recall to collect weekly unemployment benefits without having to search for work. While limits vary, 12 weeks is common and, in many cases, the limit is shorter than 12 weeks.

In Wisconsin, a 12-week maximum strikes an important common-sense balance. It recognizes that temporary layoffs are a fact of life in seasonal industries while, at the same time, encourages workers on extended layoffs to seek opportunities to support themselves and their families through the dignity of work, not through government dependence.

The waiver limits provide ample opportunity for seasonal employers to recall employees they've already trained and, at the same time, expands the talent pool for other employers who routinely have difficulty filling open positions. And, with more competition for talent comes stronger hiring and retention incentives, such as higher wages and bonuses, which put more money in the hands of workers to provide for themselves and their families.

Additionally, the change supports UI Trust Fund accountability. The Trust Fund, as with UI benefit payments, is supported by all UI-covered employers, including seasonal and non-seasonal businesses. While some employers fully fund UI benefit payments to their former or current employees, many do not even come close, which means other employers must pay more to make up the difference. For context, a business funds less than five weeks of UI benefit payments, roughly \$1,680 per employee, through UI taxes.

A system that motivates workers to support themselves and their families, expands the talent pool for employers, brings greater fairness to all employers who pay into the UI Trust Fund, and drives up hiring and retention incentives, is a system that will move our economy and state forward.

— *Allen is secretary of the Wisconsin Department of Workforce Development.*