

# Eliminate Waiting Weeks for Unemployment Insurance



## What is it?

The "waiting period" or "waiting week" is a common feature of unemployment insurance laws. It is a period at the start of an unemployment claim during which the individual satisfies all requirements for eligibility but for which no benefits are paid. The effect of a waiting week is to deny a week of benefits to a jobless worker. Only if jobless workers draw their last week of benefits as a result of not finding work are they effectively paid for their first week of unemployment. The majority of UI benefit recipients, however, find work prior to exhausting their benefits. (Claims averaged 16.4 weeks in 2003.) In all states with waiting weeks, any particular individual serves only one waiting week per year, even if he or she experiences more than one spell of unemployment in that year.



## Key arguments in favor

**Waiting weeks have outlived their intended purposes.** Waiting weeks were originally adopted for two purposes. First, states required a delay at the start of a new claim during which agencies processed UI claims manually. Second, there was no prior history available for estimating benefit costs accurately in the early days of UI, and providing a waiting week was justified as a means of providing UI benefits for a longer duration of weeks. Neither of these justifications really has continued vitality. States have wage information available on computers and it is administratively feasible to timely pay UI benefits for the first week of unemployment. And, since the early days of UI, states have increased the maximum duration of UI claims to a standard 26 weeks in nearly all states. Indeed, states with waiting weeks do not provide longer durations than states without waiting weeks, so they are not using the savings to provide added support for jobless workers nearing the end of their claims. Waiting weeks are an antiquated feature of UI programs that should be eliminated.



## Key arguments against and responses to them

**Opponents say:** Newly unemployed individuals can best afford to bear part of the costs of their UI benefits.

**Response:** While there are significant savings to the UI trust fund that arise from waiting weeks, jobless workers get no waiting week on their mortgages, utility bills, or credit card statements. Jobless individuals relying on UI already lose half or more of their pre-layoff wages. Asking these workers to absorb more of the costs of the UI system is unfair. The purpose of UI is to provide prompt replacement of lost wages, not to drive jobless workers deeper into debt.



## Which states do it?

Sixteen states have no waiting week. In addition, Tennessee and Texas pay benefits for the first week of unemployment after three weeks of unemployment pass. All other states have a one-week waiting period.



## Model legislation

States with waiting period legislation would simply need to repeal the provision and any attendant references. For example, Mississippi law provides for a waiting period in Title 71, Chapter 5, Article 11, Sec. 71-5-511(d). This provision requires that claimants have been unemployed for one week in their benefit year during which they were eligible in all respects for UI benefits and for which no benefits have been paid before UI benefits are payable. In order to repeal the waiting period in Mississippi, legislation would be required to repeal Sec. 71-5-511(d), along with any other references to "waiting period" in the Mississippi state UI law.

## References

---

WILLIAM HABER & MERRILL G. MURRAY, UNEMPLOYMENT INSURANCE IN THE AMERICAN ECONOMY (Homewood, Illinois: Richard D. Irwin, Inc. 1966) at 200.

## State Choices

### 16 states have no UI waiting period

Alabama  
Connecticut  
Delaware  
Georgia  
Iowa  
Kentucky  
Maryland  
Michigan  
Missouri (through 2008)  
Nevada  
New Hampshire  
New Jersey  
Ohio  
Vermont  
Wisconsin  
Wyoming