



**LEGAL
SERVICES**

INCORPORATED

SUPPORT PARTIAL UNEMPLOYMENT BENEFITS

Part Y of A3005/S2005
Public Protection and General Government Budget Bill

February 24, 2017

MFY Legal Services, Inc. (MFY) supports this bill.

MFY envisions a society in which there is equal justice for all. Our mission is to achieve social justice, prioritizing the needs of people who are low-income, disenfranchised or have disabilities. We do this through providing the highest quality direct civil legal assistance, providing community education, entering into partnerships, engaging in policy advocacy, and bringing impact litigation. We assist more than 20,000 New Yorkers each year. MFY's Workplace Justice Project (WJP) advocates on behalf of low-income and immigrant workers, who often stand to lose the most under the current partial UI system.

This bill amends the Labor Law to encourage, rather than discourage, work. Currently, when a claimant works for any portion of one day, whether or not she is paid, her Unemployment Insurance (UI) benefit is cut by 25 percent. If a claimant works on four days, she loses all benefits.

MFY's clients are low-wage workers who often cobble together part-time work, work fewer hours on more days, and work for smaller and harder to regulate employers who do not always pay workers. They are thus particularly vulnerable to the perverse consequences of the current law, as the following client examples illustrate:

- A senior citizen who had lost her job performed about 20 minutes of work taking out the trash three days a week for her co-op, for which she was paid a nominal amount. She lost 75 percent of her unemployment benefits under the current law.
- An immigrant was laid off when the store where she worked closed down. Her employer asked her to "help out" setting up a new location, falsely promising to pay for the work. The employer never paid, and then successfully argued that her unemployment benefits should be docked for the days she "worked." The employer was not sanctioned.
- Several workers have two jobs, one full-time and a second part-time one a few hours a day. When they lose the full-time job, under the current law, they are ineligible for UI benefits—even though the part-time job pays a fraction of their former earnings.

The current bill proposes a far more rational system: people working part time can make up the difference between their earnings and the UI benefits that their earlier work qualifies them for. Individuals who work part time, and who earn more than a specified minimum, would have their UI benefits reduced only by the amount they earn. This bill is a win-win-win for workers, employers, and the state.

For further information, contact Bernadette Jentsch at (212) 417-3772, bjentsch@mfy.org.