Unemployment insurance— when the paycheck stops

Because of the strong layoff language in our Union contract, few members of the Clerical-Technical Union have faced layoff in the 28 years of our existence. However, even with this history, even with our strong Contract language, sometimes layoffs are unavoidable.

If the worst happens and we are laid off, even if only for short periods of time, our bills don’t stop and our families still need to eat. As an organization, therefore, the CTU must work to keep the safety net of unemployment insurance in good working order.

The good news
After years of assault by anti-worker forces in Michigan, that safety net has become frayed and torn. Until earlier this year, maximum benefits had been frozen at 1996 levels of $300 per week. If unemployment benefits had kept up with inflation, maximum benefits would have been closer to $400 per week. On the other hand, cuts in unemployment taxes were saving Michigan businesses over $600 million.

In March of this year, the CTU joined a successful state-wide effort on the part of organized workers to restore some of the unemployment benefits. After massive organizing resulted in a large rally and day of lobbying at the capitol, the Michigan Legislature finally passed HB 5763 in April.

As a result of labor’s efforts, the maximum benefit increased by $62 a week. The amount of time that a worker has in which to receive benefits was also extended. And, in spite of heavy handed tactics on the part of the Michigan Chamber of Commerce, we were able to fight off a “penalty week” provision that would have eliminated the first week of benefits.

Work to be done
Although the maximum benefit was raised, the amount going to workers making roughly $30,000 or less was not affected. In other words, about 40% of laid off workers will see no increase. Labor friendly legislators tried to get a 5% increase for laid off workers not at the maximum. Those on the other side, however, said that the $42 million annual cost for this amendment would undermine the solvency of the unemployment insurance fund.

The Michigan AFL-CIO called this a “load of bologna.” For one thing, the $2.6 billion fund was large enough to fund two years of unemployment benefits. Secondly, $292 million had just been received from the federal government to be spent on increased benefits. The AFL-CIO also pointed out that the final version of the bill provided $60 million in new annual business tax cuts, which removed significantly more from the fund than the 5% benefit increase that was derided as fiscally irresponsible.

In addition, the bill included a number of new eligibility requirements

HB 5763, flawed as it is, passed only because a massive, state-wide, organized group of workers put pressure on the legislators of both parties. It is the kind of effort we must continue if we are to make unemployment insurance a viable safety net for hard working employees who fall on bad economic times through no fault of their own.

One place to begin is by making sure the officials we elect put the needs of our working families before the special interests of large corporations.

It pays to vote union!

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