# Memorandum

PREPARED FOR: Sen. Taylor DATE: February 10, 2025 BY: Tyler Larson, Research Analyst RE: Unemployment Insurance Benefits and Labor Disputes



This memorandum compares <u>Senate Bill 916 (2025)</u> to existing laws in New York and New Jersey allowing striking workers to access state Unemployment Insurance (UI) benefits.<sup>1</sup> Table 1 (page 3) provides the relevant text from the measure and each state for comparison.

## Oregon

<u>ORS 657.200</u> disqualifies a person from receiving UI benefits for any week the Director of the Oregon Employment Department (OED) determines that the unemployment is due to an active labor dispute at the person's place of employment. The disqualification does not apply if the Director finds the person is not permitted to work by the employer due to a lockout. <u>OAR 471-030-0097</u> establishes that "the term 'labor dispute' as used in the Employment Department law means any concerted or deliberate action by two or more individuals or by an employing unit resulting in either a strike or lockout in which wages, hours, working conditions or terms or employment of the individuals are involved."<sup>2</sup>

<u>Senate Bill 916 (2025)</u> would establish that an individual who is otherwise eligible for benefits is not disqualified for any week that the Director of OED determines that the unemployment is due to an active labor dispute at the person's place of employment. If enacted, the measure would allow workers who are unemployed due to an active labor dispute to receive benefits for weeks of unemployment after the "waiting week" required by <u>ORS 657.155</u>.

### **New Jersey**

<u>N.J. Rev. Stat. sect. 43:21-5</u> disqualifies a person from receiving UI benefits if it is found that the unemployment is due to a stoppage of work because of a labor dispute. The

<sup>&</sup>lt;sup>1</sup> A <u>February 3, 2025, report from the Economic Policy Institute</u> identifies New Jersey and New York as the only two states that currently extend UI benefits to striking workers.

<sup>&</sup>lt;sup>2</sup> <u>OED's rule</u> indicates the definition is part of the agency's implementation of <u>ORS 657.200</u>. "Labor dispute" is defined more broadly in statutes related to collective bargaining. <u>ORS 662.010(1)</u> and <u>663.005(5)</u> define "labor dispute" for the purposes of private collective bargaining as "any controversy concerning terms, tenure or conditions of employment or concerning the association or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of employee." <u>ORS 243.650(12)</u> defines "labor dispute" for the purposes of public collective bargaining as "any controversy concerning employment relations or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions as "any controversy concerning employment relations or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employees." <u>ORS 243.650(12)</u> defines "labor dispute" for the purposes of public collective bargaining as "any controversy concerning employment relations or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment relations, regardless of whether the disputants stand in the proximate relation of employer and employee."

disqualification does not apply to any period of unemployment commencing on or after January 1, 2022, due to a labor dispute "including a strike or other concerted activities of employees". A claimant under this section may not be provided UI benefits for the first 14 days of unemployment, except the claimant shall be provided benefits during any part of the 14-day period in which the employer engages a replacement worker for the claimant's position.

N.J. Rev. Stat. sect. 2A:15-58 defines "labor dispute" to include

"...any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee, regardless of whether or not the disputants stand in the proximate relation of employer and employee."

Provisions making workers eligible for UI if on strike for more than 30 days were <u>enacted in 2018</u>. Legislation <u>enacted in 2023</u> reduced the UI waiting period for striking workers from 30 days to 14 days.

### **New York**

<u>N.Y. Labor Law sect. 592</u> "suspends" the payment of UI benefits for two consecutive weeks after lost employment because of a strike or other industrial controversy except for lockouts. The suspension period does not include the one-week waiting period for all claimants. Benefits are not suspended if the employer hires a permanent replacement worker. The phrase "industrial controversy" appears five times in the Consolidated Laws of New York but is not defined. Caselaw applies the term to certain work stoppages.<sup>3</sup>

The requirements were last amended by two measures brought by the same sponsor during the 2019-2020 legislative session. The <u>first measure</u> enacted reduced the suspension period for lost employment because of a strike or other industrial controversy from seven consecutive weeks to one week and allowed the waiting period to be served concurrently.<sup>4</sup> Current requirements were enacted in a <u>second measure</u> that increased the suspension period to two consecutive weeks and established the waiting period could not be served during the suspension period.

<sup>&</sup>lt;sup>4</sup> New York's seven-week suspension requirement was enacted in 1944 and remained in effect until 2020.



<sup>&</sup>lt;sup>3</sup> <u>Matter of Lynch, 44 A.D.2d 866 (1974)</u>. <u>Matter of Gar, 90 A.D.2d 652 (1982)</u>.

#### Table 1: Relevant Text of SB 916 (2025) and New Jersey and New York UI Labor Dispute Laws

#### State UI Disqualifications and Labor Disputes including Waiting Period

#### Senate Bill 916 (2025) amending ORS 657.200:

"An individual who is otherwise eligible for benefits is not disqualified for any week with respect to which the Director of the Employment Department finds that the unemployment of the individual is due to a labor dispute that is in active progress at the factory, establishment or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement or otherwise."

#### Oregon

#### ORS 657.155:

"(1) An unemployed individual shall be eligible to receive benefits with respect to any week only if the Director of the Employment Department finds that: [...]

"(d) The individual has been unemployed for a waiting period of one week, unless the Governor has waived the required waiting period as provided in <u>ORS 401.186</u>."

#### N.J. Rev. Stat. sect. 43:21-5:

"An individual shall be disqualified for benefits: [...]

"(d) If it is found that this unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment or other premises at which the individual is or was last employed, except as otherwise provided by this subsection (d). [...]

"(4) [...] For any claim for a period of unemployment commencing on or after January 1, 2022 due to a stoppage of work which exists because of a labor dispute at the factory, establishment or other premises at which the individual is or was last employed, including a strike or other concerted activities of employees at the claimant's workplace, whether or not authorized or sanctioned by a union representing the claimant, but not including a dispute subject to the provisions of paragraph (2) or (3) of this subsection (d), the claimant shall not be provided benefits for a period of the first 14 days following the commencement of the unemployment caused by the labor dispute, except that the claimant shall be provided benefits during any part of that the 14-day period in which the employer engages the services of a replacement worker for the claimant's position, whether that replacement worker is engaged on a permanent or temporary basis, or is an existing worker reassigned permanently or temporarily from other duties to perform the duties of the claimant's position. For any claim for a period of unemployment commencing on or after January 1, 2022 which exists because of a labor dispute at the factory, establishment or other premises at which the individual is or was last employed, if the labor dispute has not resulted in a stoppage of work, no disqualification under this subsection (d) shall apply, and the 14-day waiting period in this paragraph (4) shall not apply."



#### State UI Disqualifications and Labor Disputes including Waiting Period

#### N.Y. Labor Law sect. 592:

"Suspension of accumulation of benefit rights. 1. Industrial controversy. (a) The accumulation of benefit rights by a claimant shall be suspended during a period of two consecutive weeks beginning with the day after such claimant lost his or her employment because of a strike or other industrial controversy except for lockouts, including concerted activity not authorized or sanctioned by the recognized or certified bargaining agent of the claimant, and other concerted activity conducted in violation of any existing collective bargaining agreement, in the establishment in which he or she was employed, except that benefit rights may be accumulated before the expiration of such two week period beginning with the day after such strike or other industrial controversy was terminated.

### New York "(b) Benefits shall not be suspended under this section if:

"(i) The employer hires a permanent replacement worker for the employee's position. A replacement worker shall be presumed to be permanent unless the employer certifies in writing that the employee will be able to return to his or her prior position upon conclusion of the strike, in the event the strike terminates prior to the conclusion of the employee's eligibility for benefit rights under this chapter. In the event the employer does not permit such return after such certification, the employee shall be entitled to recover any benefits lost as a result of the two week suspension of benefits, and the department may impose a penalty upon the employer of up to seven hundred fifty dollars per employee per week of benefits lost. The penalty collected shall be paid into the unemployment insurance control fund established pursuant to section five hundred fifty-two-b of this article; [...]

"3. Terms of suspension. No waiting period may be served during a suspension period."

Source: Legislative Policy and Research Office Data: Various, hyperlinked

