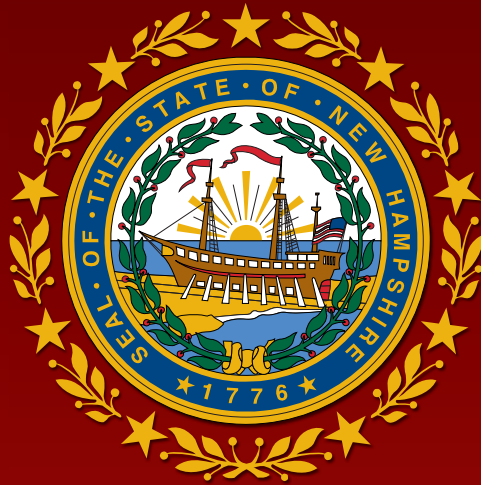


State of New Hampshire  
Department of  
Employment Security



Workers with  
Job Attachment to  
Seasonal Employers

October 2011

## Background

To be eligible for unemployment compensation, an individual filing for benefits must be able to work, be available for work, and must conduct a search for work that is reasonable and prudent based on the individual's prior skills and abilities. Before 2002, there were few exemptions to the requirement to conduct an active search for work. Limited work search exemptions were allowed if the individual had a bona fide offer of work within two weeks or if the individual was enrolled in full-time training.

For years, individuals who worked for seasonal employers were required to conduct a search for work during the off-season. A claimant would be considered a seasonal employee if similar work that is provided by a seasonal employer is not reasonably available during the time period when the seasonal employer is closed for business.

For example, a paving equipment operator is laid off when the weather conditions prohibit paving activities. Since there is not similar work available in the area because of these seasonal weather patterns, the paver would be considered a seasonal worker.

Brief shutdowns, such as those experienced in the Manufacturing industry, are considered to be more like vacation shutdowns during which a facility retools its equipment. These generally last about a week and don't normally exceed a four week period. These layoffs would not be considered seasonal in nature.

Seasonal employment would be that type of employment that is generally available during a specific season.

Over time, the department questioned whether requiring seasonally attached workers to search for work during the off season was an effective use of resources as year after year these workers (with an attachment to their seasonal employer) conducted the required search but typically remained unemployed throughout the entire off-season. A growing number of non-seasonal employers were also frustrated by the number of seasonal workers who were reporting to their establishments in order to fulfill the work search requirement. These employers contended the work search requirement amounted to a complete waste of their time accepting applications from seasonal workers who had no intention of remaining employed with them once the seasonal employer recalled them to work. Revising the work search requirement would also allow the department to focus its efforts on workers who had no return to work dates.

As a result of the growing sentiment, the department adopted an administrative rule effective December 30, 2001 which exempted workers with an attachment to their employer from the work search requirement. Emp 501.12(d)(7) was added effective June 26, 2010 to clarify that the services offered by the claimant must be seasonal in nature, not just that the services were last performed for a seasonal employer.

For example, a short order cook at a beachside diner who is laid off after Labor Day, when the diner closes for the season would not be considered a seasonal worker because there is a reasonable availability of work for short order cooks at other types of restaurants.

The specific conditions for exempting work search requirements of seasonal workers in New Hampshire are defined in Administrative Rule, Emp 501.12(d) as follows:

Emp 501.12 Work Search.

- (a) Unless exempted under RSA 282-A:31, III, Emp 501.11 or Emp 501.12 (c), no benefits shall be paid to any individual for a week of unemployment unless the individual is searching for suitable work.
- (b) Suitability of work shall be determined utilizing the criteria listed in RSA 282-A:32,I(d)(1) and limitations listed at RSA 282-A:32,I(d)(2)
- (c) The commissioner shall waive the requirement that a claimant must be actively seeking work if the commissioner finds that based on the economic conditions, seeking suitable work is not likely to decrease the length of the claimant's unemployment.
- (d) In making a determination pursuant to (c), above the commissioner shall consider whether:
  - (1) The claimant is involved in a mass temporary layoff;
  - (2) The claimant is partially employed;
  - (3) The claimant is involved in a strike, lockout or other labor dispute;
  - (4) The claimant is likely to find work through a union hiring hall;
  - (5) The claimant has been laid off from work due to a lack of work and has reasonable assurance of recall to work with that same employer within:
    - a. Four weeks if the employer is not a seasonal employer: or
    - b. Sixteen weeks if the employer is a seasonal employer;
  - (6) The claimant has accepted a confirmable offer of permanent full time employment with reasonable assurance of it commencing within 4 weeks; and
  - (7) Work which is suitable for the claimant pursuant to RSA 282-A:32I(d) is not reasonably available during the time period when the seasonal employer is closed for business.
- (e) For purposes of (d)(6) above, "reasonable assurance" shall mean that it is more likely than not that employment shall commence within the required time frame.
- (f) Factors to be considered by the commissioner in determining whether employment is more likely than not shall include but not be limited to information which is available concerning:
  - (1) The existence of a contract;
  - (2) A written or oral communication from the employer stating that the claimant will be provided an opportunity to perform services;
  - (3) Whether the time frame within which the employment is to be provided is determined;
  - (4) Whether the offer of employment is contingent;
  - (5) The employer's industry;
  - (6) The seasonal nature of the offered employment;
  - (7) The employer's financial strength; and
  - (8) The employer's past performance in providing offered employment.

Source. #7620, eff 12-30-01; ss by #9627, Interim, eff 12-30-09, EXPIRES: 6-28-10; ss by 9741, eff 6-26-10

For a number of years, the work search exemption appeared to have little effect on the amount of benefit payouts as the average length of unemployment for workers with an attachment to a seasonal employer remained under 16 weeks. The downturn in the economy in 2009 and 2010 resulted in less work for many seasonal employers. As a result, these employers were forced to lay off a number of seasonal workers earlier than usual. Once the expected duration of unemployment exceeded 16 weeks, the work search requirement was reinstated.

At the Unemployment Compensation Advisory Council meeting held on March 4, 2011 the department sought guidance from the Council on how to best implement work search requirements for seasonal workers and how to address the disproportionate cost of benefits paid to seasonal workers which are not recouped in the tax rates applicable to their employers. The department presented the following options to the Council:

*Options:*

- (1) Amend Emp 501.11 and Emp 501.12 to remove the 16 week exception for seasonal workers.*
- (2) Amend RSA 282-A:32, I(d)(1) to provide that suitable work for a seasonal worker during the off season would be any work the individual can do that pays at an hourly rate which when multiplied times 40 would equal 130% of the individual's weekly benefit amount or minimum wage, whichever is greater.*
- (3) Adopt a statute similar to Ohio's (corrected) which states that an unemployed individual shall not be eligible to receive benefits based on services in seasonal employment for any week which commences during a period determined by the commissioner to be a period in which the industry is not customarily in operation.*
- (4) Increase the maximum tax rate to reflect the actual costs of paying benefits to seasonal workers.*
- (5) Require seasonal employers to reimburse for all weeks beyond week 16.*
- (6) Require seasonal employers to reimburse for all weeks if the employer does not recall the claimant at the start of the next season.*
- (7) Require seasonal employers to reimburse for weeks paid during the off season if the employer has a negative balance separate account.*
- (8) Require seasonal workers to register with temporary agencies during the off season.*
- (9) Have temporary agencies which hire seasonal workers during the off season not become the most recent employer (MRE) based on weeks during the off season. The seasonal employer would remain the MRE.*
- (10) Require individuals who obtain work through a temporary agency to contact the temporary agency when an assignment ends or be considered to have voluntarily quit.*

The Council established a subcommittee to study the issue. This report is an attempt to provide the data requested, and answer those questions asked, by the Council and its subcommittee

The analysis which follows provides a variety of data on the relationship between the employment provided by the individual industries and the number of unemployment compensation claims filed by workers from those industries.

The analysis also considers the following questions:

1. Which industries have a higher proportion of continued claims paid to their workers?
2. What proportion of claims are filed by workers with a seasonal attachment?
3. How many weeks of unemployment are paid by industry?
4. Is a worker with an attachment to a seasonal employer unemployed for a longer period of time than a non-seasonal worker?
5. Has requiring a non-exempted seasonal worker to look for work resulted in any shortening of their unemployment duration?
6. Is it disproportionate between the use of the unemployment insurance programs and the amount of employment in each industry?

## Statewide Perspective – an overview of the whole system

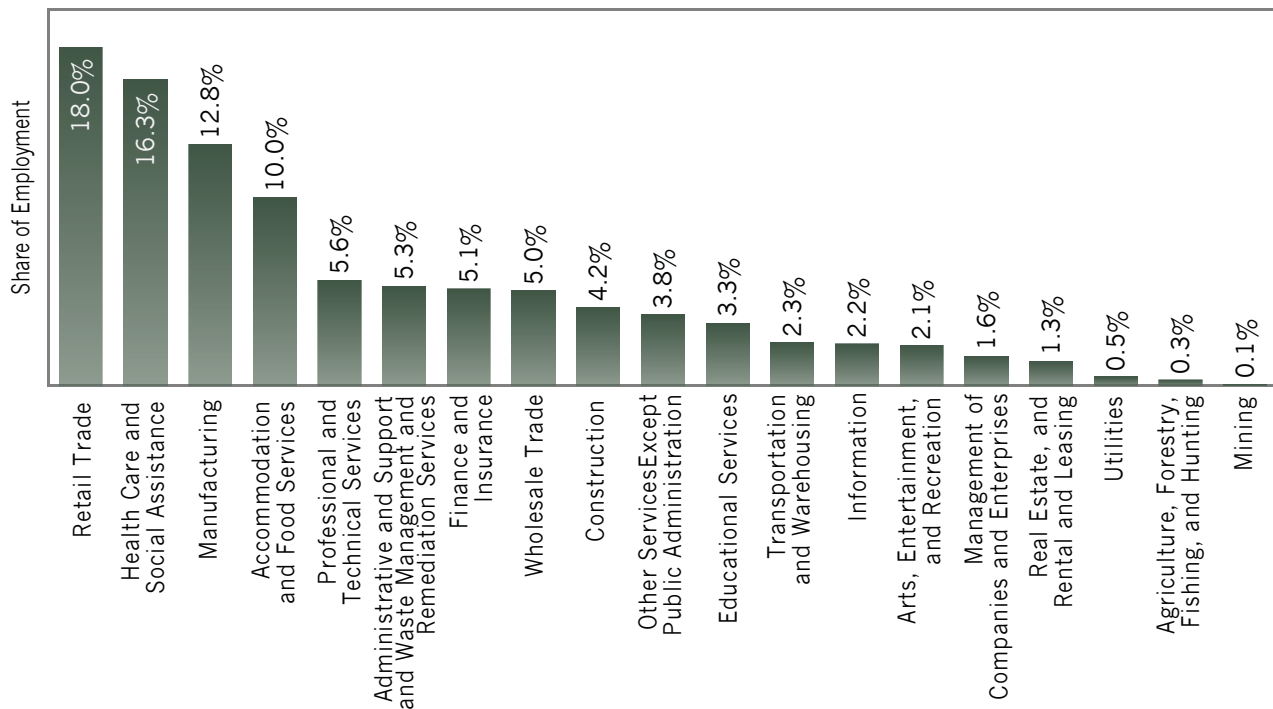
### Share of Employment

Covered employment relates to businesses that pay unemployment compensation tax for their employees. Covered employment is relevant to this discussion because these are the workers and their employers that affect unemployment payments in the state. Private sector employment includes those employees of business that are privately owned. Government employment includes workers of federal, state, county or municipal entities throughout the state. Government entities typically reimburse the unemployment trust fund dollar for dollar for unemployed individuals rather than paying a quarterly contribution to the fund. Therefore, this study will concentrate on the effects of claimants from the private employment sector.

Total private covered employment in New Hampshire is identified by industry sectors. New Hampshire has distinctive seasonal employment shifts; employment typically peaks in the summer and recedes in the winter time. Using annual average employment allows for a comparison without having to consider the seasonal effects on particular industries.

Share of employment is determined by the number of employees in an industry. It does not distinguish between full time or part time status. Retail Trade was New Hampshire's largest employing industry in 2010 with 18.0 percent of private employment, followed by Health Care and Social Assistance with 16.3 percent, Manufacturing with 12.8 percent and Accommodation and Food Services with 10.0 percent. The remaining industries each hold less than six percent of the state's private employment.

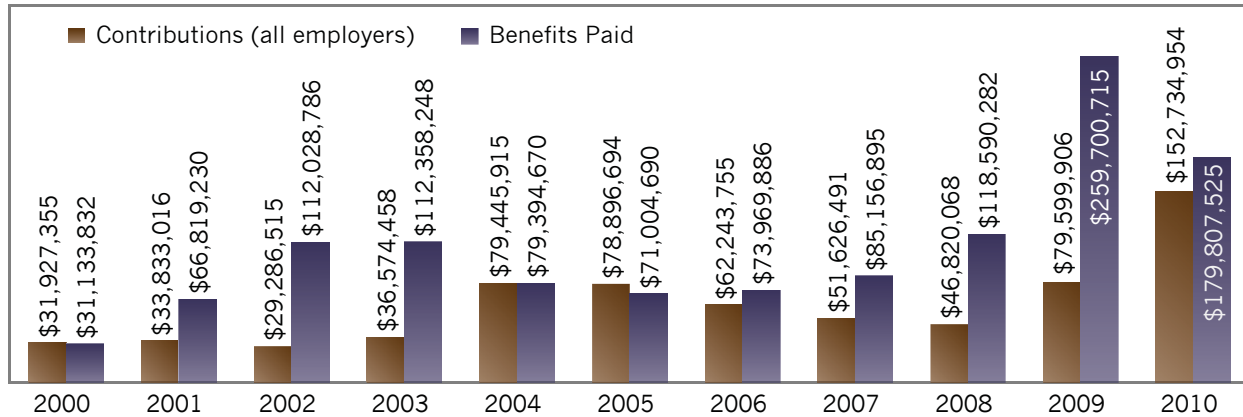
2010 Share of New Hampshire Private Covered Employment



### Share of Benefits Charged by Industry

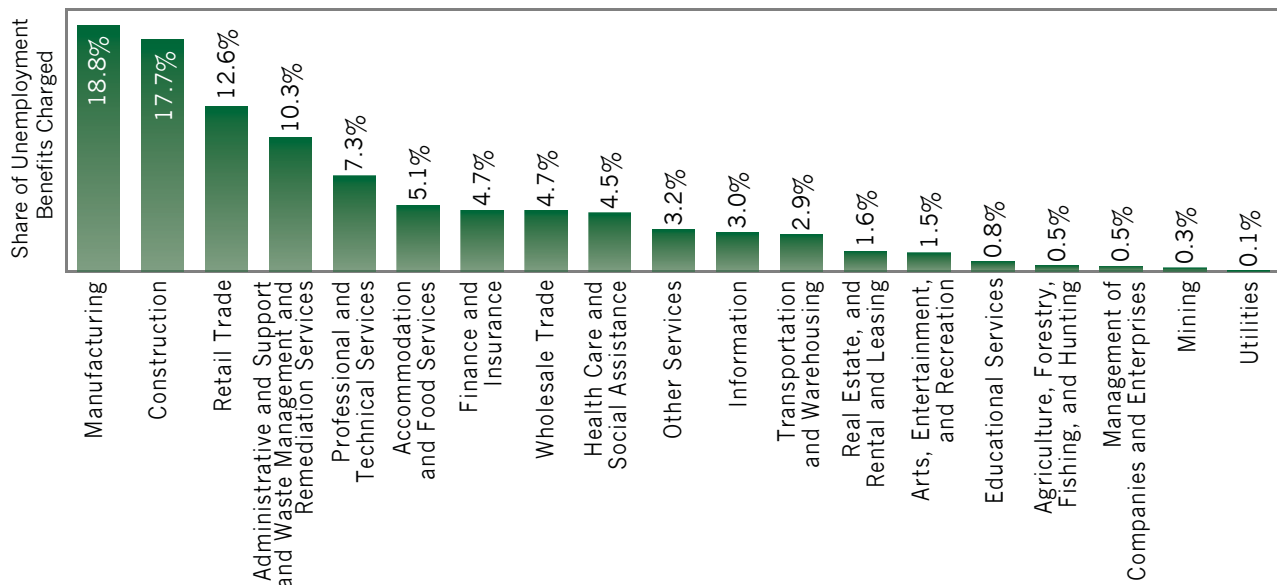
In 2010, New Hampshire Employment Security paid over \$179.8 million in unemployment benefits to claimants of regular programs not covered by federal financing. This sum of benefits paid was second largest only to the unprecedented amount of \$259.7 million in 2009.

Contributions vs. Benefits for Regular Programs  
annual amounts



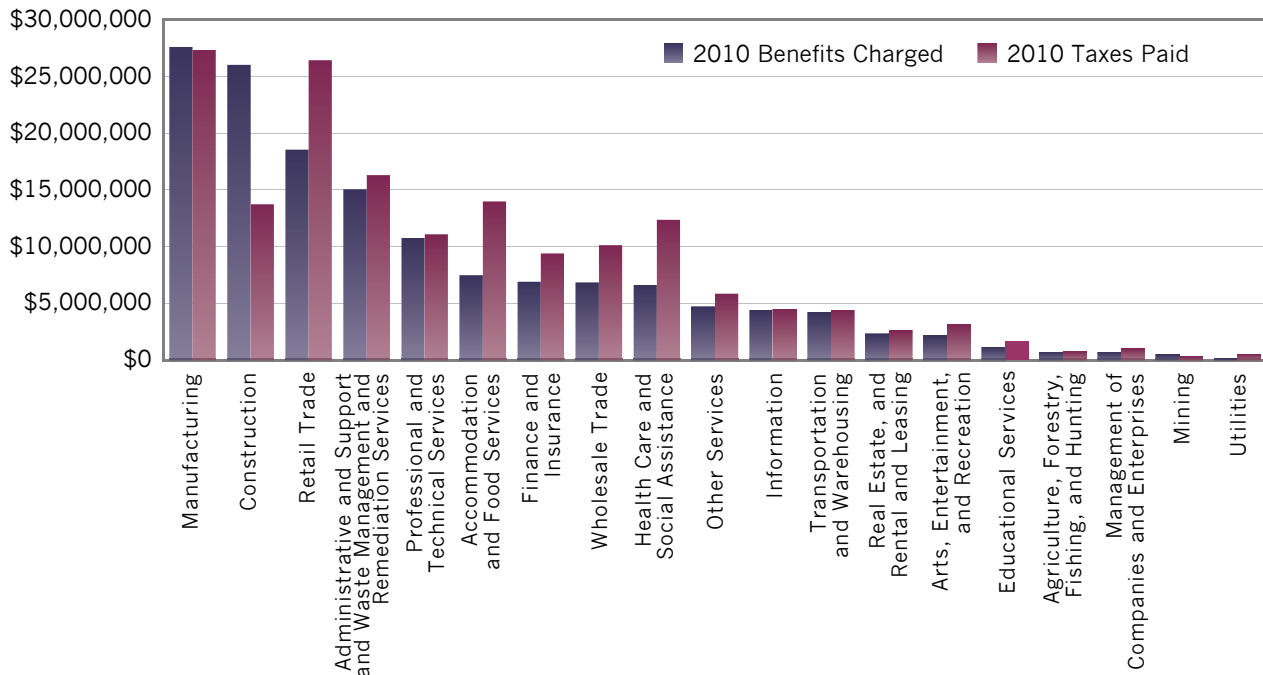
In 2010, Manufacturing industries had the largest share of benefits charged, 18.8 percent. The next largest share, 17.7 percent of benefits, was charged to Construction industries during the year. Only two other industries had more than ten percent of unemployment benefits charged to them, Retail Trade with 12.6 percent and Administrative and Support and Waste Management with 10.3 percent.

2010 Share of New Hampshire Benefits Charged



Businesses in the state experienced the effects of the Great Recession during the last three years. The unemployment tax law was changed to help mitigate the volume of benefits being paid out. These changes went into effect in 2010. Even so, in 2010, businesses in the Construction industry paid barely half in taxes of what was paid in benefits on their behalf. From the preliminary report, it was found that many of the Construction companies with the largest employment were already at the maximum tax rate, so the changes to the tax system – although it did increase their tax contributions – were not substantial enough to balance benefits paid as happened in other industries. In conclusion, businesses in the Construction industry have a disproportionate share of benefits paid versus taxes received.

2010 Benefits Charged and Taxes Paid by Industry



Three years of benefits charged by industry are provided for a longer period for comparisons. This can be used as a gauge for what is a typical amount charged or if the amount charged might be influenced by a short-term economic event.

**Benefits Charged and Taxes Paid by Industry in New Hampshire**

	2008 Benefits Charged	2008 Taxes Paid	2009 Benefits Charged	2009 Taxes Paid	2010 Benefits Charged	2010 Taxes Paid
Manufacturing	\$19,071,943.76	\$10,755,002.89	\$62,052,489.36	\$14,688,138.76	\$27,576,359.44	\$27,325,428.36
Construction	\$20,664,102.98	\$6,168,745.93	\$37,924,401.00	\$7,618,959.73	\$26,018,209.44	\$13,727,262.84
Retail Trade	\$12,336,125.84	\$7,173,054.83	\$25,964,255.39	\$15,520,345.79	\$18,539,018.07	\$26,411,571.17
Administrative and Support and Waste Management and Remediation Services	\$10,763,590.58	\$5,659,810.04	\$21,559,339.85	\$8,231,840.65	\$15,050,475.87	\$16,288,156.38
Professional and Technical Services	\$5,755,029.69	\$3,964,580.96	\$14,808,068.55	\$6,167,767.01	\$10,754,366.04	\$11,079,464.98
Accommodation and Food Services	\$4,289,822.85	\$3,835,053.34	\$8,424,781.95	\$8,813,665.79	\$7,474,916.02	\$13,965,110.35
Finance and Insurance	\$4,854,922.67	\$2,703,796.70	\$10,168,047.96	\$5,053,310.22	\$6,891,582.28	\$9,387,742.40
Wholesale Trade	\$6,836,058.14	\$3,409,405.73	\$6,836,058.14	\$5,438,990.71	\$6,836,058.14	\$10,130,924.92
Health Care and Social Assistance	\$3,261,864.28	\$2,940,566.24	\$6,347,365.59	\$6,847,578.53	\$6,608,669.09	\$12,362,281.18
Other Services	\$2,924,107.78	\$1,743,564.34	\$5,795,597.88	\$3,235,877.81	\$4,715,073.09	\$5,851,084.84
Information	\$1,999,456.64	\$1,746,690.14	\$5,607,723.77	\$2,530,690.95	\$4,413,835.89	\$4,479,553.16
Transportation and Warehousing	\$3,668,079.76	\$1,666,421.63	\$6,077,796.52	\$2,455,509.76	\$4,200,875.54	\$4,397,788.71
Real Estate, and Rental and Leasing	\$1,900,433.59	\$868,908.74	\$3,475,076.34	\$1,439,846.07	\$2,341,292.61	\$2,605,057.98
Arts, Entertainment, and Recreation	\$1,526,621.03	\$1,084,450.81	\$2,785,633.65	\$1,934,331.15	\$2,177,306.74	\$3,147,676.96
Educational Services	\$659,058.27	\$480,064.56	\$1,316,650.13	\$1,008,443.37	\$1,129,823.64	\$1,642,497.13
Agriculture, Forestry, Fishing, and Hunting	\$612,395.25	\$232,246.90	\$1,100,973.14	\$398,952.52	\$694,860.04	\$727,642.63
Management of Companies and Enterprises	\$488,831.31	\$323,008.55	\$1,063,891.72	\$516,026.37	\$664,870.57	\$1,037,788.77
Mining	\$570,932.13	\$155,649.22	\$570,932.13	\$157,041.56	\$463,258.31	\$317,111.62
Utilities	\$59,010.91	\$90,043.12	\$59,010.91	\$200,594.41	\$157,680.39	\$519,313.95

## Identifying Seasonal Industries

Quarterly data from the U.S. Census Bureau Local Employment Dynamics are now available which detail hiring patterns of establishments within an industry. These hiring patterns can be used to help identify the seasonal hiring patterns of industries. Longer period trends can also gauge what is a typical seasonal behavior and what is an out-of-the-normal hiring pattern.

The first element that will be used is “all hires.” This is an estimated number of workers who either started a new job or were recalled in the specified quarter. This data can provide an overview of total economic activities.

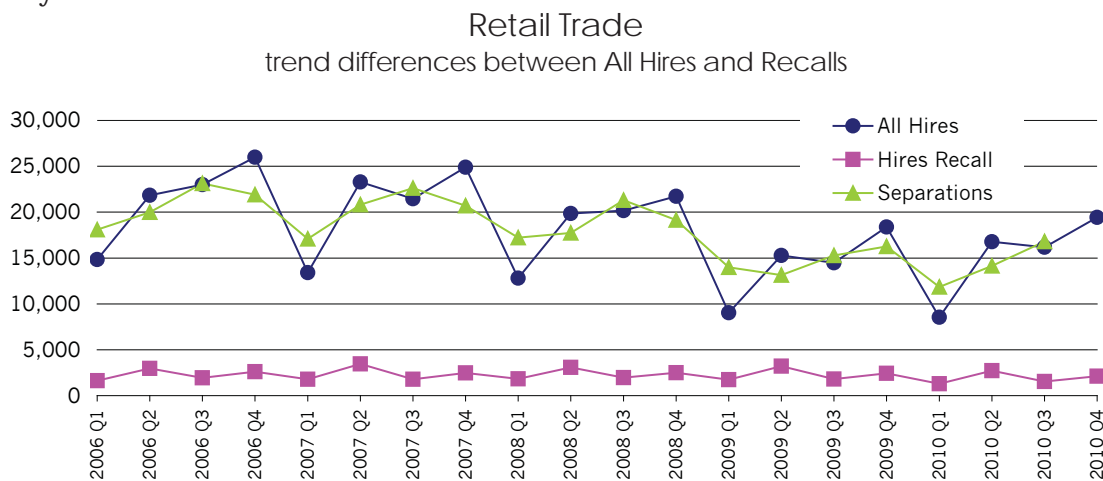
The second element for comparison that will be used is “recalls.” This is the estimated number of workers who returned to the same employer where they had worked within the previous year but not the previous quarter. There has to be at least one quarter without any wages from the employer to be considered a recall. For example if an individual is working as a ski attendant and is laid off in March (the first quarter), if that person is rehired in June (the second quarter), they are not considered a rehire because it has not been a full quarter without wages from the same employer. However, if that same individual returns to work for that employer in July (the third quarter), that would count as a rehire. This can be used as a measure of seasonal employment hiring among the industries.

The third is “separations.” A separation is indicated when a job is present in one quarter, but is not present in the following quarter. Voluntary separations (retirement, leaving for a new job) and involuntary separations (layoff, firing) cannot positively be identified.

Using these measures for the five industries with the largest share of claims for unemployment benefits allows a comparison of the traditional hiring patterns of specific industries and the effects of the overall economy.

### Retail Trade

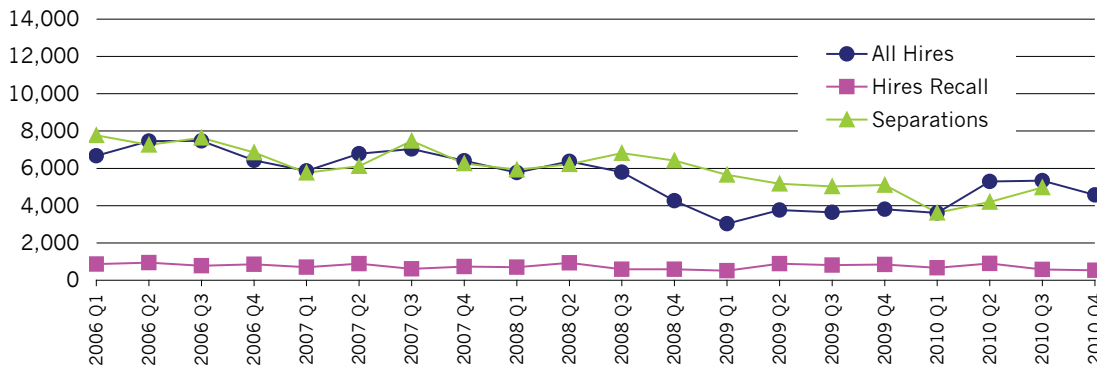
The trend for rehires in Retail Trade has been consistent for at least the last five years. The patterns of all hires also follow the same trends of increases through second and third quarters, peaking in the fourth quarter with holiday employment, and dropping in the first quarter each year. The difference in this pattern is that the level of all hires was significantly lower during the last two years. The typical boost in hires between second and third quarters was stunted, while patterns for rehires increasing in the second and fourth quarters each year remained fairly consistent.



**Manufacturing**

The trend of rehires in Manufacturing industries is fairly stable and at a relatively low level. Generally temporary shut downs in Manufacturing industries don't usually last more than a week or two. All hires among Manufacturing establishments dropped dramatically between second quarter 2008 and first quarter 2010, while separations exceeded the number of all hires. This indicates many separations in 2008 and 2009 were permanent and not seasonal. Most hiring for jobs in Manufacturing had been scaled back to a minimum while the trend for rehires continued much along the same patterns as had been experienced in prior years.

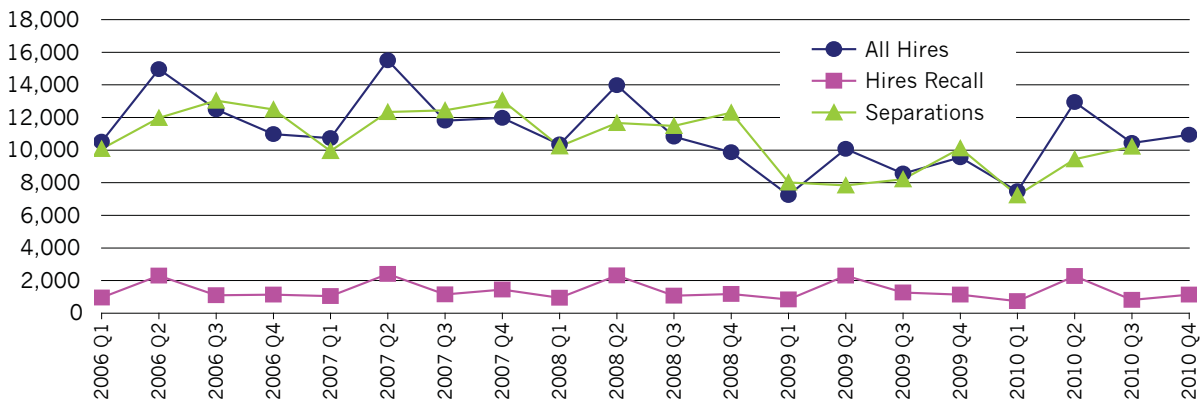
Manufacturing  
trend differences between All Hires and Recalls



**Administrative and Waste Services**

Patterns for rehires in Administrative and Waste Services establishments remained predictable with peak hires experienced in the second quarter each year. The number of all hires and recalls normally reached a peak the second quarter each year while separations reached a high point the fourth quarter each year. Regardless, the recall patterns and numbers of workers returning to their previous employers showed incredible stability.

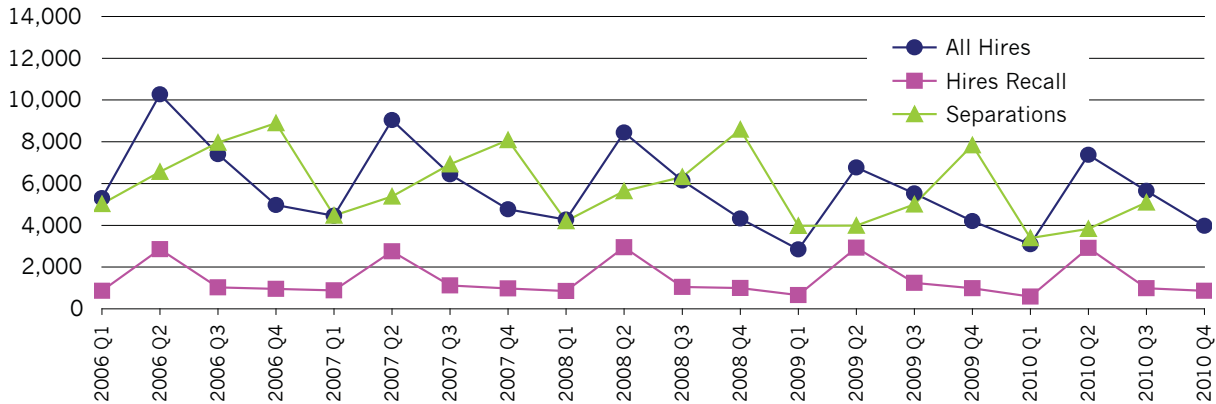
Administrative and Waste Services  
trend differences between All Hires and Recalls



**Construction**

Construction industries have the most obvious relationship between the three measures, indicating strong seasonal behavior. The estimated number of recalls in Construction industries has been at the same level over the years. Both rehires and all hires reached a high point the second quarter of each year, followed by separations of almost equivalent numbers each fourth quarter.

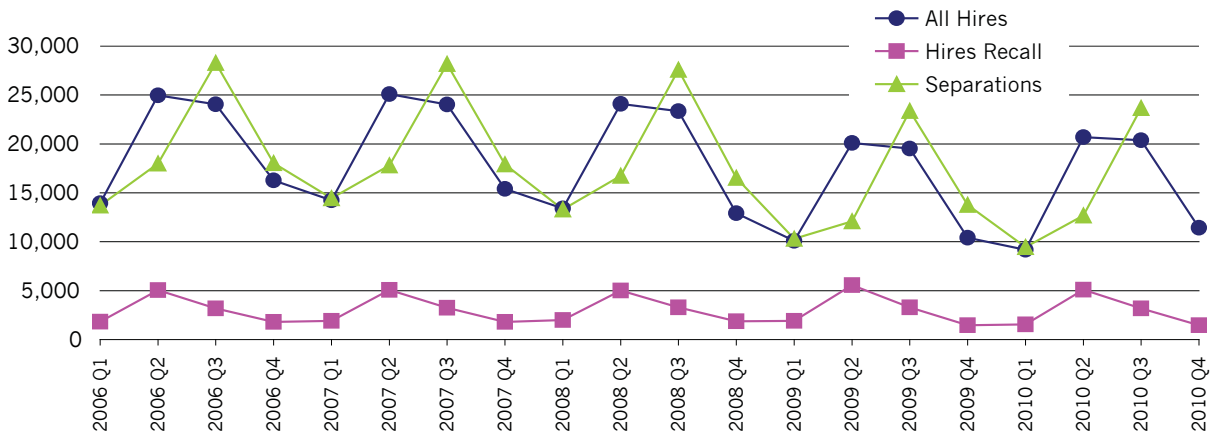
Construction  
trend differences between All Hires and Recalls



**Accommodation and Food Services**

Like Construction, establishments in Accommodation and Food Services follow seasonal trends, but with a larger volume. Peaks in the number of all hires occurred simultaneously with peaks in recalls during the second quarter each year. While the number of all hires shrank during the most recent economic downturn, the number of recalls remained at the level of previous years. Separations reach a peak in third quarter each year as summer comes to a close and seasonal spots shutter-up for the winter.

Accommodation and Food Services  
trend differences between All Hires and Recalls



These data reveal that Construction, Accommodation and Food Services, and Administrative and Waste Services have strong patterns of hiring, including recalls, followed by separations within a quarter or two. This identifies these industries as seasonal in nature.

## Share of Unemployment Compensation Claims

The micro-data related to claims activity used for analysis was extracted from the New Hampshire Unemployment Insurance System (NHUIS). Within NHUIS, claimants have the opportunity to enter a “return to work” date during either the initial claims process or when filing for an additional claim.

Claims information was sorted by industry and grouped by how many weeks of unemployment insurance benefits had been paid, through regular programs. The analysis showed that the number of claims with a return to work date diminished as the number of weeks of unemployment benefit payments increased. Every industry had a spike in the 26th week, indicating those claimants who exhausted their regular unemployment benefits. The number of claims recorded after 26 weeks were from those claimants who had monetary benefits remaining due to partial weeks claimed or other reasons.

**NOTE:** Claims information by industry differs from the benefits charged information because the industry that separated the worker from employment may not be the monetarily responsible industry.

### New Hampshire Claims

In the total sample of 32,264 records, 69.5 percent, 22,429, of all claims were paid less than 12 weeks of unemployment compensation.

Of the total, 19.5 percent of these records, 6,288, had a return to work date entered on their claim. Among claims with a return to work date entered, 69.0 percent were paid less than 12 weeks unemployment compensation.

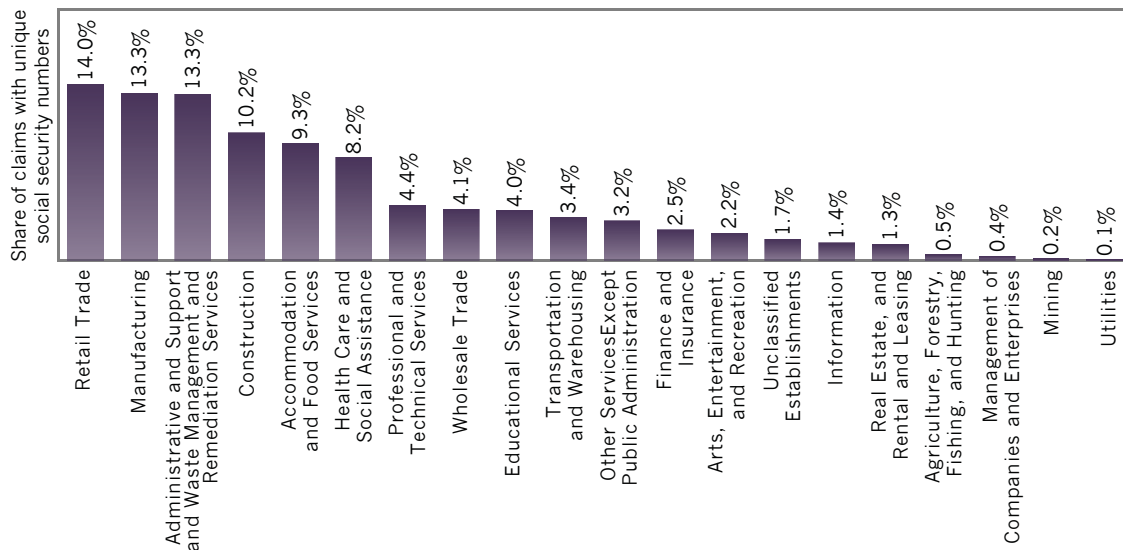
## Methodology

Data for September 2009 through the first week of September 2011 was drawn from NHUIS for the analysis. This amounted to over 200,000 records. Records were then sorted by the return to work industry of the claimant. Next was elimination of duplicate counts of social security numbers that were attached to additional claims for unemployment benefits. The result was 104,483 unique social security numbers with an initial claim establishing a benefit year. While duplicate social security numbers were eliminated for a given benefit year, the same social security number could appear in a separate benefit year.

To obtain a manageable representation of the claims population, the unique social security numbers were reorganized by industry and a 25 percent selection was made, yielding 26,121 social security numbers. Because the focus of the study is to identify claims that are made by workers from the private sector with an industry, claims with no industry identification or from government entities were eliminated. That was 3.9 percent of the whole and the sample, or 1,021 social security numbers. The final sample representing 25 percent of private industries equaled 25,100 unique social security numbers, 32,264 records for the two year period. This sample size reached a 95 percent confidence level overall with a plus or minus three percent margin of error. Each of the industries selected for detailed discussion also met this confidence level.

*Caveat:* The NHUIS system is claimant driven. A return to work date may be entered on a claim by the claimant at any time. Claims were sorted by the number of weeks of regular unemployment benefits paid. These may not reflect the return-to-work time frames claimants may have entered on their claim.

2010 Share of New Hampshire Claims (Social Security Numbers) by Industry  
(Social Security numbers may appear in separate benefit years)



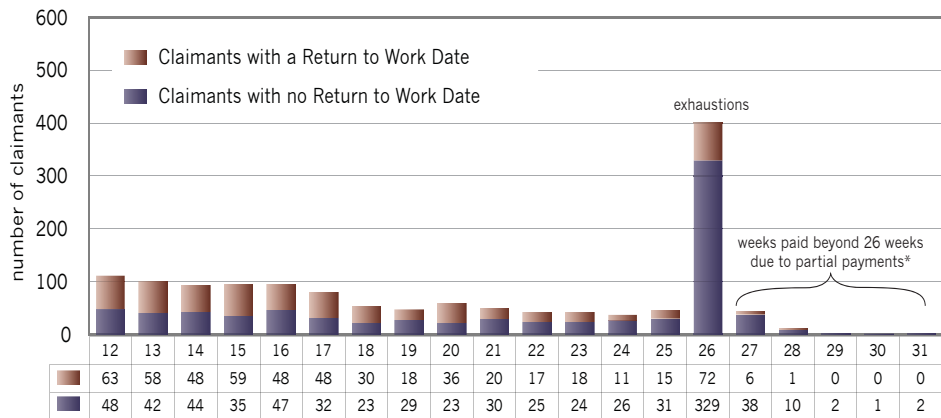
**Construction**

Construction was represented by 3,640 claims in the sample. Slightly more than one of every three claimants (34.1 percent) from Construction industries entered a return to work date on their claim for unemployment benefits. Over half of those who entered a return to work date stopped claiming before collecting 12 weeks of unemployment benefits. About two-thirds (66.3 percent) of those with no return to work date stopped claiming before 12 weeks. The number of claimants with a return to work date on claims declined each progressing week. The number of all claims dropped significantly between the 16th and 18th weeks.

Far fewer claims with a return to work date attached exhausted regular benefits compared to those without a return to work date, 6.0 percent of the claims with a return to work date exhausted compared to 13.5 percent of those without a return to work date.

----- Construction -----

In the Universe	10,656	
In the Sample	3,640	
	Subset With RTW	Subset No RTW
	1,240	2,400
Share of Sample	34.1%	65.9%
Paid <12 weeks	636	1,590
Share of Subset	51.3%	66.3%



\* This only shows data through week 31. Other claims data were paid between 32 - 52 weeks

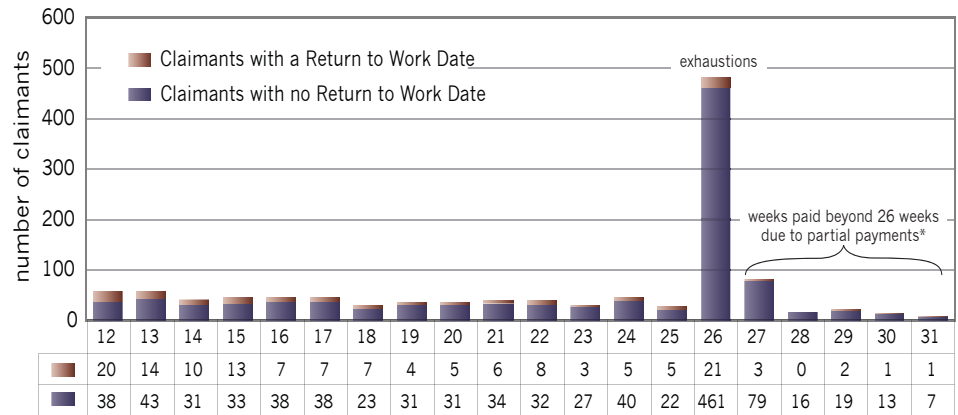
**Retail Trade**

Retail Trade had 4,229 claims in the total sample. Slightly more than one of every ten claimants (10.6 percent) from Retail Trade businesses entered a return to work date on their claim for unemployment insurance benefits. Two of every three of those with a return to work date (67.7 percent) and seven of every ten without a return date (70.6 percent) stopped filing for benefits before collecting for 12 weeks.

In the 26th week, 12.2 percent of claimants without a return to work date exhausted regular unemployment insurance benefits and 4.7 percent of claimants with return to work dates exhausted.

----- Retail Trade -----

In the Universe	14,663	
In the Sample	4,229	
	Subset With RTW	Subset No RTW
	449	3,780
Share of Sample	10.6%	89.4%
Paid <12 weeks	304	2,669
Share of Subset	67.7%	70.6%



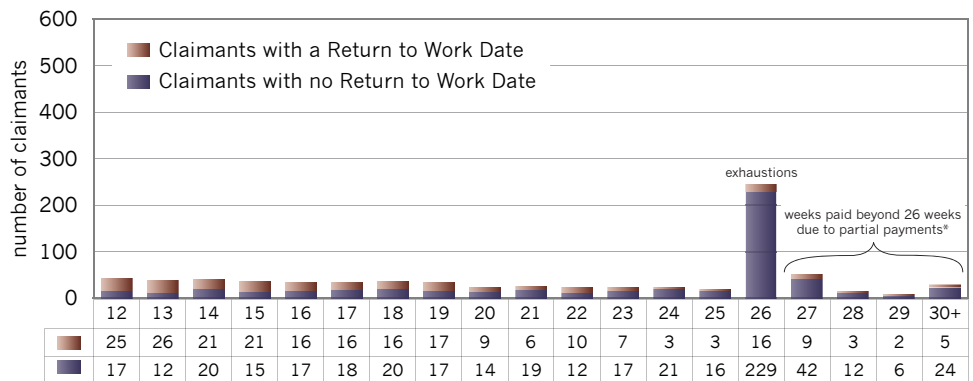
number of weeks of unemployment insurance paid  
\*This only shows data through week 31. Other claims data were paid between 32 - 52 weeks

**Accommodation and Food Services**

The Accommodation and Food Services sector had 2,932 claims in the sample. Just less than one of every four claimants (22.9 percent) from Accommodation and Food Service establishments entered a return to work date on their claim. Two of every three claimants (65.6 percent) with a return to work date, and about three of every four (75.8 percent) claimants without a return date stopped filing before collecting 12 weeks of benefits.

----- Accommodation and Food Services -----

In the Universe	9,743	
In the Sample	2,932	
	Subset With RTW	Subset No RTW
	672	2,260
Share of Sample	22.9%	77.1%
Paid <12 weeks	441	1,712
Share of Subset	65.6%	75.8%



number of weeks of unemployment insurance paid  
\*This only shows data through week 31. Other claims data were paid between 32 - 52 weeks

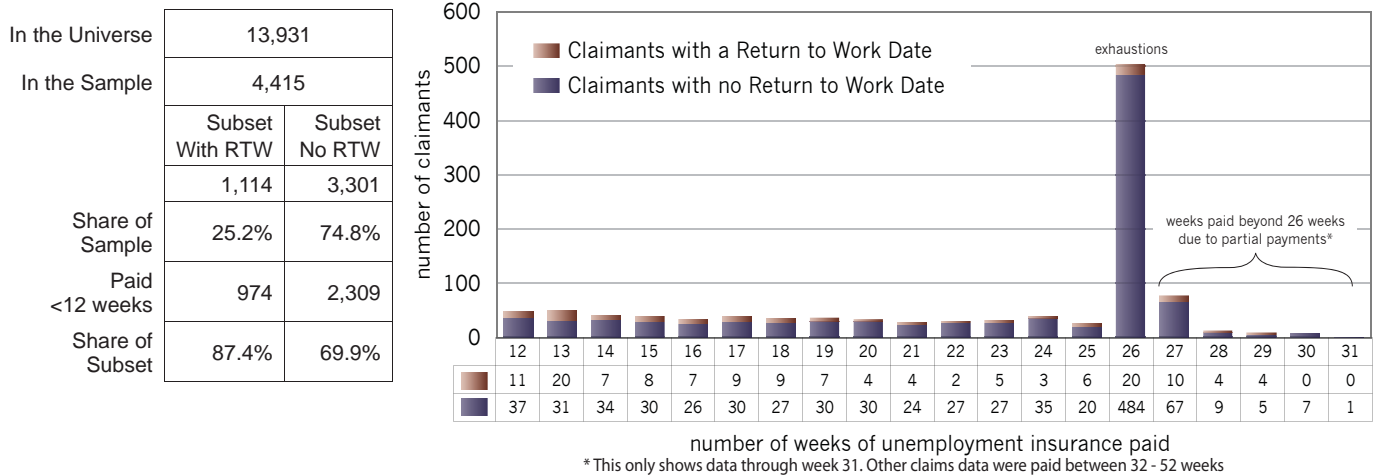
In the 26th week, 2.4 percent of claimants with a return to work date exhausted regular unemployment benefits while 10.1 percent of claimants without a return to work date exhausted.

**Manufacturing**

Manufacturing had 4,415 claimants in the sample. About one of every four claimants (25.2 percent) from Manufacturing companies entered a return to work date on their claim for unemployment benefits. Almost nine of every ten claimants (87.4 percent) with a return to work date stopped filing before the collecting 12 weeks of unemployment compensation. About seven of every ten claimants with no return date stopped filing before 12 weeks of benefits.

In the 26th week, 1.8 percent of claimants with a return to work date exhausted benefits for regular unemployment benefits compared to 14.7 percent of claimants without a return to work date.

----- Manufacturing -----



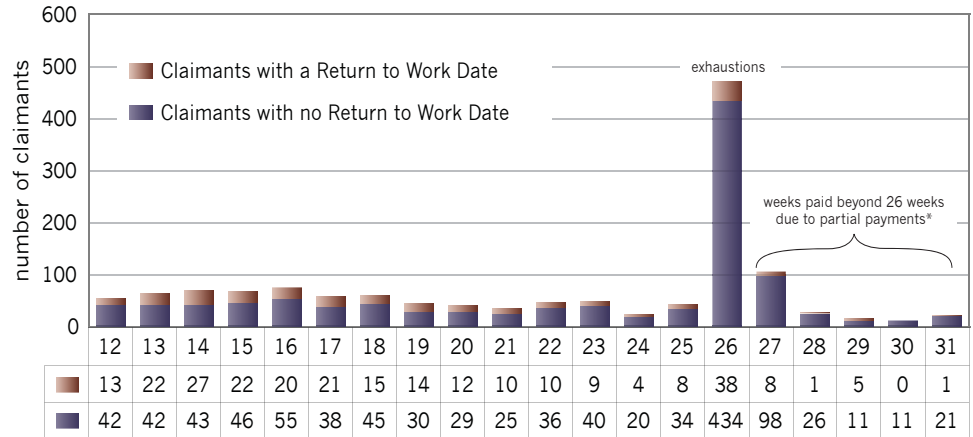
**Administrative and Waste Services**

Administration and Food Services had 4,318 claimants in the sample. About two of every thirteen claimants, slightly over 15 percent, of workers from Administrative and Waste Management establishments entered a return to work date on their claim for unemployment benefits. Three of every five (60.2 percent) of those with a return date stopped filing before collecting 12 weeks of compensation. Almost seven of every ten (69.3 percent) of claimants with no return date stopped filing before collecting 12 weeks of benefits.

In the 26th week, 4.8 percent of claimants with a return to work date exhausted regular unemployment benefits compared to 11.8 percent of their counterparts without a return to work date.

----- Administrative and Waste Services -----

In the Universe	13,874	
In the Sample	4,318	
	Subset With RTW	Subset No RTW
	653	3,665
Share of Sample	15.1%	84.9%
Paid <12 weeks	393	2,539
Share of Subset	60.2%	69.3%



number of weeks of unemployment insurance paid  
 \*This only shows data through week 31. Other claims data were paid between 32 - 52 weeks

In summary, most unemployed individuals return to work within 12 weeks. Statewide, 69.5 percent of all claims were paid less than 12 weeks. Even 69 percent of those with a return to work date were paid less than 12 weeks. However, there is variation within the industries, and more so among those with a return to work date. It appears that having a return to work date in the Construction industry allows claimants to remain unemployed longer as they wait to be recalled by their employer. Barely half of claimants with a return to work date from Construction businesses stop claiming benefits after 12 weeks of unemployment compared to at least 60 percent in other industries.

## Preliminary Report – July 2011

### Results of Work Search Activities

In the preliminary report a sample of claims was pulled to examine if there was a difference in the work search results of claimants with a return to work date who were required to look for work and those claimants whose work search requirements were waived. The selected claimants were from the Construction industry with a required work search during the time frame October 2010 and November 2010.

The results of the preliminary report concluded that there was little evidence that the length of actual unemployment differed between those claimants who searched for work and those claimants whose work search was waived. The detailed results are available in the appendix.

The preliminary study also determined that less than one percent of initial claimants with a return to work date requested an address change to an out of state location. Note, as of August 2009 claimants have had the option of an electronic deposit into an account or a traditional paper check.

## Summary

This study considered the following:

### 1. Which industries have a higher proportion of continued claims paid to their workers?

As discussed beginning on page 15, the five largest shares of claims (by social security number) were, in descending order, Retail Trade, Manufacturing, Administrative and Support and Waste Management Services, Construction, and Accommodation and Food Services.

### 2. What proportion of claimants have a seasonal attachment?

The challenge of identifying a seasonal attachment of a claimant is that the only indication available is from the return to work date entered by the claimant when they file for unemployment benefits. Based on this data, 19.5 percent of claimants had a return to work date attached. Each industry varied as to the share they held. Among the top five listed in Question 1:

Retail Trade had 10.6 percent

Manufacturing had 25.2 percent

Administrative and Support and Waste Management Services had 15.1 percent

Construction had 34.1 percent

Accommodation and Food Services had 22.9 percent

### 3. How many weeks of unemployment are paid by industry?

For claimants that received payment of benefits in the selected five industries:

Retail Trade had 15.7 weeks average

Manufacturing had 12.9 weeks average

Administrative and Support and Waste Management Services had 14.8 weeks average

Construction had 13.8 weeks average

Accommodation and Food Services had 13.8 weeks average

### 4. Is a worker with an attachment to a seasonal employer unemployed for a longer period of time than a non-seasonal worker?

The discussion on pages 17 through 21 review the differences by the five selected industries of claimants with a return to work date versus those without. In each of the industries, a much smaller share of claimants with a return to work date exhausted regular unemployment benefits at the 26th week.

Additionally, in some industries, for example Manufacturing, individuals without a return to work date were less likely to file more than 12 weeks and if they did exceed 12 weeks they were more likely to exhaust their benefits in 26 weeks. Construction had the second smallest share of claimants, including both those with a return to work date and those without a return date, to return to work before 12 weeks.

5. Has requiring a non-exempted seasonal worker to look for work resulted in any shortening of their unemployment duration?

As was established in the preliminary report having a required work search has little impact on the length of unemployment for workers who have an attachment to their seasonal employers.

6. Is it disproportionate between the use of the unemployment insurance programs and the amount of employment in each industry?

In 2010, Construction businesses were charged 17.7 percent of unemployment benefits paid, and they supplied 4.2 percent of total private employment. Construction experienced the second highest charge of benefits, even though they were only the ninth largest employing industry.

Among claimants from Construction businesses:

- One of every three claimants entered a return to work date on their claim.
- 52.8 percent of those claims with a return to work date stopped collecting unemployment benefits before 12 weeks.
- 6.0 percent of Construction claimants with a return to work date exhausted regular unemployment benefits at 26 weeks, compared to 13.5 percent of claimants without a return to work date.

New Hampshire Share in 2010

	Share of Benefits Charged	Share of Claims by Social Security Numbers	Share of Private Employment
Manufacturing	18.8%	13.3%	12.8%
Construction	17.7%	10.2%	4.2%
Retail Trade	12.6%	14.0%	18.0%
Administrative and Support and Waste Management and Remediation Services	10.3%	13.3%	5.3%
Professional and Technical Services	7.3%	4.4%	5.6%
Accommodation and Food Services	5.1%	9.3%	10.0%
Finance and Insurance	4.7%	2.5%	5.1%
Wholesale Trade	4.7%	4.1%	5.0%
Health Care and Social Assistance	4.5%	8.2%	16.3%
Other Services	3.2%	3.2%	3.8%
Information	3.0%	1.4%	2.2%
Transportation and Warehousing	2.9%	3.4%	2.3%
Real Estate, and Rental and Leasing	1.6%	1.3%	1.3%
Arts, Entertainment, and Recreation	1.5%	2.2%	2.1%
Educational Services	0.8%	4.0%	3.3%
Agriculture, Forestry, Fishing, and Hunting	0.5%	0.5%	0.3%
Management of Companies and Enterprises	0.5%	0.4%	1.6%
Mining	0.3%	0.2%	0.1%
Utilities	0.1%	0.1%	0.5%



# Appendix

## SEASONALITY PROVISIONS

Sixteen states have special provisions relating to workers employed in seasonal industries. As Table 24 shows, these provisions usually include definitions of "seasonal industry" and

"seasonal worker." Generally benefits based on seasonal work are limited to unemployment occurring during the operating period of the seasonal industry.

Table 24—SEASONALITY PROVISIONS

State (1)	Seasonal Industry (2)	Seasonal Worker (3)	Restriction (4)
	<b>Industry which customarily operates only during regularly recurring periods of less than:</b>	<b>Seasonal wages in operating period of seasonal industry:</b>	<b>Seasonal wage credits available for benefits:</b>
Colorado	26 weeks	Some seasonal wages.	Only during season.
Indiana	26 weeks	Some seasonal wages.	Only during season.
Maine	26 weeks	Some seasonal wages.	Only during season.
Massachusetts	16 weeks	Some seasonal wages.	Only during season.
Michigan	Operates 26 weeks or less, or at least 50% of the employees work 26 weeks or less a year. Excludes the construction industry.	Some seasonal wages.	Only during season.
Ohio	41 weeks	Some seasonal wages.	Only during season.
North Carolina	36 weeks	25% or more of base period wages earned in season with seasonal employer.	Only during season.
South Dakota	7 months	Some seasonal wages.	Only during season.
	<b>Other Industry Definitions</b>		
Arizona	Single employer who qualifies for state agency's transient lodging classification; employer's workforce must be reduced by at least $\frac{2}{3}$ of the average highest 12 wks of employment during one-year period prior to seasonal slowdown.	Some seasonal wages.	Only during season.
Arkansas	Industry which customarily lays off 40% or more workers for at least 4 consecutive months during regularly recurring period each yr.	Off-season wages less than 30 x WBA if season 2-6 months. Off-season wages less than 24 x wba if season is 7-8 months.	Only during season.
Delaware	First processing of agricultural products and/or seafood products	75% or more of base period wages earned in seasonal employment.	Only during season. Benefit payable in any calendar month only if claimant employed in corresponding month of claim base period.

Table 24—SEASONALITY PROVISIONS — Continued

State (1)	Seasonal Industry (2)	Seasonal Worker (3)	Restriction (4)
	<b>Other Industry Definitions</b>	<b>Seasonal wages in operating period of seasonal industry:</b>	<b>Seasonal wage credits available for benefits:</b>
Mississippi	Cotton ginning or professional baseball.	Off-season wages less than 30 x WBA if earned in cotton ginning or professional baseball with season of 6-26 weeks, or less than 24 x WBA if earned in cotton ginning or professional baseball with season of 27-36 weeks.	Only during season.
Pennsylvania	An industry or process, which because of climactic conditions make it impractical or impossible to do or operate otherwise. This is usually commercial canning or commercial freezing of fruits and vegetables operating during regularly recurring period of 180 days or less in a calendar year.	Performs commercial canning or commercial freezing services for less than 180 days in a year.	Only during season. Between seasons benefits based on nonseasonal wages. If there is no opportunity for work next season benefits based on both seasonal and nonseasonal wages payable retroactively.
West Virginia	Industry recognized seasonal: such as food processing and canning.	Some seasonal wages.	Ineligible if less than 100 days in seasonal industry and less than \$100 in other work.
Wisconsin	Seasonal agricultural employers and employers in a tourism, recreational or tourist service industry if at least 75% of the gross wages paid by employer during prior year were paid in 2 cal. quarters. Employers voluntarily elect seasonal designation. An additional 2% solvency tax applies to seasonal employers.	Excluded if received written notice prior to beginning work for employer that the work may be excluded for UI purposes, or if worker was employed for a period less than 90 days and earned less than \$500 for work performed for another covered employer.	None

Source: *Highlights of State Unemployment Compensation Laws*, National Foundation for Unemployment Compensation & Workers' Compensation, Washington D.C., pg. 76-77

## Work Search (methodology)

In an attempt to verify if there was a difference in the work search results of claimants with a return to work date and required to look for work and those claimants whose work search requirements were waived, a sample of claims was pulled to examine. All claimants selected were from the Construction industry. The first table of 15 claims is from the time frame between October and November 2010, who had filed their claim either in person at a local office or through the web site and were not waived from work search requirements. The second table of 10 was selected from December 2010 with similar qualifications. The third table detailed claimants who filed their claims by telephone and were not excused from work search requirements. The fourth table, with five claims, provides examples of claimants who initially had no work search requirements.

These were the reasons behind the adoption of rules Emp 501.11 and 501.12 effective December 30, 2001.

### Claimant not waived - Filed through web/claimant between October and November 2010

Occupation	Number Weeks Between LDW and RTW	Number of Work Search Contacts	Expected Return to Work Date (RTW)	Denied because of Work Search?	Actual Return to Work Date	Comments	First week Claimed	Last Week Filed for Benefits	Returned to Same Employer?	Detailed Industry
Flagger	18	48	3/15/2011		5/11/2011	7 year history Work search mostly for truck driver	12/4/2010	5/21/2011	yes	Highway, Street, and Bridge Construction
Fencer	17	52	3/1/2011		Exhausted EUC	Most contacts have no employer name	5/14/2011	11/20/2010	unknown	Specialty Trade Contractors
Truck Driver	19	1		Only filed 1 week			1/8/2011	1/8/2011	unknown	Specialty Trade Contractors
Laborer	20	18	4/1/2011		5/6/2011	one contact/wk - accepted job with new employer	11/27/2010	5/21/2011	no	Highway, Street, and Bridge Construction
Truck Driver	20	4	4/1/2011			Only filed one week	12/4/2010	12/11/2010	unknown	Specialty Trade Contractors
Equipment (roller) Operator	21	43	4/1/2011		5/2/2011	Types of W/s varied	12/4/2010	5/21/2011	yes	Highway, Street, and Bridge Construction
Truck Driver	22	0	4/18/2011	Only filed 1 week		Quit filling when told of work search requirement	12/4/2010	12/4/2010	unknown	Specialty Trade Contractors
Concrete Finisher	24	44	4/1/2011			contacts were for finisher work (seasonal)	11/13/2010	4/16/2011	unknown	Specialty Trade Contractors
Truck Driver	24	38	5/1/2011		Collects Partial	W/s consisted of two seasonal employers skiing/asphalt	11/27/2010	5/7/2011	unknown	Specialty Trade Contractors
Painter	25	8	4/30/2011	yes-failure to attend ERI and BRI 12/20		Varied W/s efforts	11/13/2010	1/8/2011	unknown	Specialty Trade Contractors
Carpenter	28	54	5/15/2011			previous experience as CNC machinist - rtw as machinist from WS	11/6/2010	5/14/2011	no	Highway, Street, and Bridge Construction
Construction	20	69	4/1/2011			All w/s efforts consisted of Construction companies	11/27/2010	5/21/2011	no	Specialty Trade Contractors
Grounds Maintenance	22	65	4/1/2011			Sought work in building/ground maintenance & warehousing	11/13/2010	4/2/2011	unknown	Residential Remodeler
Foreman	21		4/15/2011	No weeks claimed					unknown	Specialty Trade Contractors
Laborer	18	16	4/1/2011			one contact per week - varied types	12/4/2010	4/2/2011		Highway, Street, and Bridge Construction

### Abbreviations

RTW Return to Work  
W/S Work Search  
LDW Last Date Worked  
IC Initial Claim  
EUC Emergency Unemployment Compensation  
ERI Eligibility Review Interview  
BRI Benefit Review Interview

**Claimant not waived - Filed December 2010**

Occupation	Number Weeks Between LDW and RTW	Number of Work Search Contacts	Expected Return to Work Date (RTW)	Denied because of Work Search?	Actual Return to Work Date	Comments	First week Claimed	Last Week Filed for Benefits	Returned to Same Employer?	Detailed Industry
Painter	4	9	2/1/2011				12/18/2010	1/8/2011	Unknown	Specialty Trade Contractors
Truck Driver	3	15	4/4/2011			Letter in imaging/ filed and paid through 5/14/11/ didn't seek work between 1/9/11 and 4/23/11/ w/s was waived 1/9/11-4/16/11	1/1/2011	5/21/2011	Unknown	Highway, Street, and Bridge Construction
Plant operator	waived	waived	2/14/2011				12/25/2010	2/12/2011	Yes	Highway, Street, and Bridge Construction
Pipe Laborer		1	3/15/2011			w/s waived from 19/19/10 on	12/18/2010	2/19/2011	Yes	Specialty Trade Contractors
Driver			3/16/2011			w/s waived 12/12/10 to 3/26/11	12/11/2010	3/26/2011		Highway, Street, and Bridge Construction
Painter		17	3/28/2011			all internet or e-mail	12/25/2010	3/26/2011	No return	Specialty Trade Contractors
Equipment Operator			4/1/2011			w/s waived 12/12/10-1/1/11: No history with employer	12/11/2010	12/11/2010		Highway, Street, and Bridge Construction
Laborer	20	23	Did not RTW			didn't rtw on 5/9/11 and has not responded to emp. calls	12/25/2010	6/11/2011	no	Specialty Trade Contractors
Laborer	24	7	4/11/2011			as of w/e 6/25 still filing EUC, w/s waived until 4/2/11	1/1/2011	6/25/2011		Specialty Trade Contractors
Equipment Operator	20	1	4/18/2011			filed via phone no w/s entry	12/18/2010	4/16/2011	returned to work full-time 4/18/11	Highway, Street, and Bridge Construction

**Claimants not waived filed by phone between October and November 2010**

Occupation	Number Weeks Between LDW and RTW	Number of Work Search Contacts*	Expected Return to Work Date (RTW)	Denied because of Work Search?	Actual Return to Work Date	Comments	First week Claimed	Last Week Filed for Benefits	Returned to Same Employer?	Detailed Industry
1- Claimant not waived - phone	17		4/4/2011			Required Claimant filed their initial IC claim	1/1/2011	2/19/2011		Highway, Street, and Bridge Construction
2- Claimant not waived - phone	17		3/20/2011			Required Claimant filed their initial IC claim	11/27/2010	12/4/2010		Commercial and Institutional Building Construction
3- Claimant not waived - phone	17		3/1/2011			Staff filed initial EUC claim, system set required / Staff intervention remained required / Required Claimant filed their initial IC claim	11/13/2010	6/25/2011		Highway, Street, and Bridge Construction
4- Claimant not waived - phone	17		4/1/2011			Claimant filed initial EUC claim/ Staff intervention - no note/ Staff field Reopen for claimant status remains/ Staff filed IC claim for claimant, system set required	12/4/2010	6/25/2011		Specialty Trade Contractors
5- Claimant not waived - phone	19		4/1/2011			Staff intervention - no notes/ Claimant filed initial claim, system set required	11/27/2010	3/26/2011		Specialty Trade Contractors
6- Claimant not waived - phone	19		4/4/2011			Claimant filed Addl claim/ Claimant filed initial IC claim, system set required	12/4/2010	3/26/2011		Specialty Trade Contractors
7- Claimant not waived - phone	21		5/1/2011			Claimant filed Addl claim/ Claimant filed initial IC claim, system set required	12/4/2010	4/2/2011		Highway, Street, and Bridge Construction
8- Claimant not waived - phone	21		4/1/2011			Staff intervention - no notes/ Claimant filed initial IC claim, system set required	12/4/2010	4/23/2011		Highway, Street, and Bridge Construction
9- Claimant not waived - phone	22		4/15/2011			Staff intervention/ Claimant filed initial IC claim, system set required	12/4/2010	4/23/2011		Highway, Street, and Bridge Construction
10- Claimant not waived - phone	22		4/1/2011			Staff filed Reopen claim, W/S stays the same, Claimant filed initial IC claim, system set required	11/6/2010	5/7/2011		Specialty Trade Contractors

\* Phone filings do not verify work search

**Claimants waived filing between October and November 2010**

Occupation	Number Weeks Between LDW and RTW	Number of Work Search Contacts	Expected Return to Work Date (RTW)	Denied because of Work Search?	Actual Return to Work Date	Comments	First week Claimed	Last Week Filled for Benefits	Returned to Same Employer?	Detailed Industry
Driver	10	n/a				Job attached waived w/s	11/20/2010	12/25/2010		Highway, Street, and Bridge Construction
Field Clerk	11	n/a				w/s waived until 2/5/11, filed through 6/18/11 currently on EUC	11/27/2010	6/18/2011		Highway, Street, and Bridge Construction
Manager	14	n/a				w/s waived through 2/26/11, filed partials, 22 w/s contacts when required	12/4/2010	4/2/2011		New Single-Family Housing Construction
Crane Operator	15	n/a				12/3 told w/s waived; 11/30 told w/s not waived; 12/17 told w/s exempt; 3/21/11 told must look for work	12/4/2010	4/16/2011		Highway, Street, and Bridge Construction
Supervisor	16	n/a				12/2 told not waived- no job attachment; 12/22 waived seasonal; told not waived filed after rtw	12/4/2010	4/9/2011		Water and Sewer line and Related Structures Construction

## Results of Work Search Activities

Based on a review of these specific claimants in the Construction industry who were required to search for work during the most recent off-season, there appears to be little difference in the actual length of unemployment when compared to previous years when the work search was waived. It should be noted that this is the first year in several where the work search waiver requirements were strictly enforced. Situations identified during review:

- Individuals chose not to file at all or stopped filing because they were advised of the work search requirement.
- Individuals chose to file by phone presumably because they did not have to provide work search records using this method. Using the internet to file requires input of work search efforts.
- While not administratively feasible to verify every claimant's work search efforts, the majority of those reviewed during the preparation of this report showed minimal effort to truly find off-season temporary or new full-time work.
- Work search records reviewed were incomplete, with no valid employer name and/or contact information.
- Work search efforts were confined to closed seasonal businesses.
- A few individuals, who made a reasonable search for work, did find work with a different company, but did not start that work before their original return to work date.

Should the work search requirement remain in force, it is expected that reviews in future years would show different results, with more individuals complying, but not significantly reduce the overall length of seasonal unemployment in the industry.