

# Unemployment Compensation

Ohio's unemployment compensation system remains insolvent.

Simply paying off the loan does not fix the long-term solvency challenges our unemployment compensation system faces. Absent meaningful reform that balances employer contributions with benefit payout, Ohio will likely quickly begin to borrow from the federal government to pay legitimate unemployment claims during the next economic downturn.

While Ohio's taxable wage base is below the national average, simply saddling employers with a massive tax increase and not addressing our benefit structure is pouring more money into a broken system.

There are a host of areas where Ohio can modernize our system, including:

- Eliminate the dependency provision, which is not required under federal law. Whether or not a claimant has dependents has nothing to do with the job and creates inequities among similarly situated employees.
- Freeze maximum benefit amounts until the fund achieves a minimum safe level.
- Weeks of eligibility should be reduced from 26 (one half of a year) to 30 (nearly five months). Average duration is 14.5 weeks in Ohio.
- Adjusting Ohio's taxable wage base to bring closer to neighboring states while remaining competitive.
- An achievable, reasonable solvency target should be instituted that allows Ohio to avoid future borrowing and prevents automatic employer tax increases.