

# RAILROAD UNEMPLOYMENT INSURANCE

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*As of July 1, 1939, employees of railroad carriers were excluded from coverage under State unemployment compensation laws and came under the provisions of the Railroad Unemployment Insurance Act, administered by the Railroad Retirement Board. Through the cooperation of the Railroad Retirement Board the Bulletin will carry regularly summary data on operations under the railroad unemployment insurance system as well as data on operations under the Railroad Retirement Act.*

THE RAILROAD UNEMPLOYMENT INSURANCE ACT of 1938, as amended on June 20, 1939, creates a national pooled-fund system of unemployment insurance for railroad workers, administered by the Railroad Retirement Board. The coverage of the act in terms of both employment and wages is substantially the same as that of the railroad old-age annuity and death-benefit system, the benefit phases of which are also administered by the Board under the Railroad Retirement Acts of 1935 and 1937. The Railroad Unemployment Insurance Act became effective for both contributions and benefits on July 1, 1939, as of which date the States were required to exempt railroad employment from their unemployment compensation programs.

The railroad unemployment insurance system is financed by employer contributions at the rate of 3 percent on the first \$300 of the monthly compensation of each employee. The contributions, which accrue on compensation payable with respect to employment after June 30, 1939, are to be collected by the Board at quarterly or other intervals and deposited with the Treasury. Ninety percent of the collections are deposited in the unemployment trust fund to the credit of the railroad unemployment insurance account, similar to the accounts maintained for State unemployment compensation agencies. The balance of the collections is credited to the railroad unemployment insurance administration fund, all moneys in which are permanently appropriated and are continuously available to the Board for expenses of administering the unemployment insurance system.

In addition to 90 percent of the contributions collected by the Board the railroad unemployment insurance account is credited with amounts transferred directly or indirectly from State unemploy-

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ment funds. These amounts consist of (a) a share of the balance in the State pooled fund as of June 30, 1939, equal to the ratio of contributions from railroad employers and employees to total contributions collected and credited to such fund as of that date; (b) balances in reserve accounts of railroad employers as of June 30, 1939; and (c) all contributions from railroad employers and employees collected in the second half of 1939. Similarly, in addition to 10 percent of the contributions collected by the Board, the railroad unemployment insurance administration fund is credited with the amounts collected or collectible by the Treasury under title IX<sup>1</sup> of the Social Security Act from railroad employers with respect to 1936, 1937, 1938, and the first half of 1939, less the estimated amounts returned from such collections to the 13 States and 2 Territories whose unemployment compensation laws were certified by the Social Security Board after December 31, 1936.

Railroad unemployment benefits are payable with respect to unemployment occurring after June 30, 1939. Benefits to eligible workers accrue for each day of unemployment, including Sundays and holidays, in excess of 7 in a half-month, or period of 15 consecutive days.<sup>2</sup> The daily benefit amount is based on the total credited compensation during the base year. Wages from other than railroad employers and the excess of compensation over \$300 with respect to any month are not credited. Benefits start at a minimum daily amount of \$1.75 for employees with base-year

<sup>1</sup> Now, except for sec. 904, reenacted as ch. 9, subch. C, of the Internal Revenue Code approved Feb. 10, 1939.

<sup>2</sup> For workers compensated on a mileage basis, that is, for employees in the road (train and engine) service, no day can be regarded as a day of unemployment if it occurs within a half-month in which the employee earned at least 8 times the schedule daily rate of pay for his occupation. This provision takes account of the prevailing practice of maximum mileage limitation per month established under labor agreements. As a result of this limitation engineers, conductors, firemen, brakemen, and similar employees regularly have lay-off days on which they are not in fact available for employment in their usual occupation.

compensation of \$150 to \$200. In the five higher benefit classes the daily benefit is increased successively by 25 cents as base-year compensation rises in intervals of \$275. The maximum daily benefit is \$3 for employees with base-year compensation of \$1,300 or over. The maximum amount of benefits in the benefit year is 80 times the daily benefit amount.

The system of daily benefits covers total unemployment as well as a considerable part of what in State unemployment compensation is described as partial unemployment. No benefit provision is made for days in which the employee was paid for only part of the day, because this type of unemployment is not common in the railroad industry. However, for employees whose normal work shift includes a part of each of 2 consecutive calendar days, a day may be defined as a period of 24 hours.

To qualify for benefits an employee must have compensation in the base year of \$150 or more. In addition he must serve a waiting period within 6 months of the beginning of the benefit year. Prior to amendment the waiting-period requirement of the act was either 15 consecutive days of unemployment or two periods of 15 consecutive days, each of which contained at least 8 days of unemployment. The amendatory act approved June 20, 1939, i. e., before benefits became payable, substituted a waiting period of at least 8 days of unemployment in a period of 15 consecutive days. The benefit year of an employee is a 12-month period beginning with the first day of the 15-day period for which benefits are first payable to him, or are first payable after the termination of the preceding benefit year. The base year is the preceding calendar year if the benefit year begins between July 1 and December 31, and the year before the preceding calendar year if the benefit year begins between January 1 and June 30. Thus, for all employees whose benefit year begins between July 1, 1939, and June 30, 1940, the base year is the calendar year 1938. It may be noted that while operations under the Railroad Unemployment Insurance Act were not commenced until 1939, records of employee compensation for 1938 were compiled by the Board as part of its administration of the railroad retirement system.

The Railroad Unemployment Insurance Act does not bar from coverage under State unemployment compensation laws the nonrailroad

employment of railroad workers. In fact, under the act the Board is authorized to enter into reciprocal agreements with State agencies which would permit combining the wages of dual-coverage workers credited under either system for the purpose of paying benefits under the State or the Federal act with equitable reimbursement to the paying agency.<sup>3</sup> The act also provides that after June 30, 1939, days with respect to which an employce is receiving or has received State unemployment benefits cannot be counted as days of unemployment for railroad benefit purposes.

The magnitude of the dual-coverage problem should not be exaggerated. A study of the wage reports for 1937, compiled by the Railroad Retirement Board and the Bureau of Old-Age and Survivors Insurance of the Social Security Board, shows that of a total of 1,957,688 employees with credited railroad compensation 244,481 employees also had wages taxable under title VIII of the Social Security Act. Thus, if the experience of 1937 is taken as a guide, a maximum of 12.5 percent of the railroad employees would also have employment covered by State unemployment compensation laws. Because in a number of States unemployment compensation does not cover employees of small firms who are included in the old-age insurance program, it is likely that the proportion of dual coverage is below 12 percent. A more detailed analysis made for all the class I railroad employees found in this dual-coverage group reveals that 85,986 of a total of 193,013 had less than \$150 in railroad compensation in the year 1937 and would not therefore have been eligible for railroad benefits. Of those who had railroad compensation of \$150 or over, 46,727 had less than \$100 in wages taxable under title VIII of the Social Security Act and would be unlikely to have met the minimum earnings eligibility requirements under State laws. The problems of dual coverage are really acute therefore only with respect to the balance of 60,300 employees of class I railroads, constituting less than 5 percent of the total number of employees of this class of employers with credited railroad compensation of \$150 or over.

Originally the Railroad Unemployment Insurance Act specified that employees who began a benefit year in the States between July 1, 1938,

<sup>3</sup> No such agreements have been effected as yet.

and June 30, 1939, should have this benefit year continued under the Federal system. Because of the administrative complexities that such transitional provisions would entail, the amendatory act eliminated them. Instead the amendatory act provided that unemployment in the period from June 16 to June 30, 1939, was to be counted toward waiting-period credit even though State benefits were received with respect to such unemployment. In effect, therefore, in the transition from the State to the Federal system continuously unemployed workers were permitted to begin a benefit year under the Federal act on the day following the termination of their benefits under State laws.<sup>4</sup>

### Administrative System

The administrative machinery developed by the Board is designed to provide the greatest possible decentralization consistent with expeditious and economical processing of claims and the keeping of wage records in the national headquarters in Washington. Facilities for filing claims are provided at or near the place of usual employment through cooperative arrangements with the carriers by virtue of which foremen, station agents, and other employees of the railroad employer are designated as unemployment claims agents. The claims agent transmits the claim to his supervisor in the railroad organization, known as the countersigning agent. The countersigning agents, generally located at railroad division points, are in charge of a varying number of claims agents. They certify the identity and signature of the claims agents and forward the daily batch of claims to one of the 12 regional offices of the Board.

The regional offices have clearly defined jurisdictions covering claims agents located along the right-of-way of specified railroad divisions and countersigning agents located at specified division points. Because it consists in fact of railroad divisions, the regional office jurisdiction is not strictly territorial. For many purposes it is useful nevertheless to outline the coverage of the regional offices in terms of States or portions of States. Such an outline is presented in table 1.

The major function of the regional offices is the

<sup>4</sup> For a more detailed discussion of the act, see Couper, W. J., "The Railroad Unemployment Insurance Act and Unemployment Compensation Administration," *Social Security Bulletin*, Vol. 1, No. 8 (August 1938), pp. 12-16.

**Table 1.—Areas served by regional offices of the Railroad Retirement Board**

Location of regional office	Territory served	Percent of total railroad employees in jurisdiction
1. Boston.....	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.	4.1
2. New York City..	New York, New Jersey, Pennsylvania east of Pittsburgh, Delaware, Maryland, small section of northeastern West Virginia, the Cape Charles peninsula of Virginia.	20.1
3. Cleveland.....	Pennsylvania (Pittsburgh and west), Ohio, Michigan, western half of West Virginia, northeastern and central Kentucky.	12.3
4. Chicago.....	Indiana, Illinois, Iowa (except southwestern corner), southern and northeastern Wisconsin, southwestern Kentucky.	16.8
5. Richmond.....	District of Columbia, Virginia (except for minor area in southwest), southeastern West Virginia, North Carolina (except southwestern portion), eastern South Carolina.	6.2
6. Atlanta.....	Georgia, Florida, Mississippi, Alabama, Tennessee, western South Carolina, western North Carolina, extreme southwest of Virginia, southern Kentucky.	7.4
7. Minneapolis.....	Minnesota, North Dakota, South Dakota (except section in southwest), eastern Montana, northwestern Wisconsin.	4.5
8. Kansas City, Mo.	Missouri, Oklahoma (except tip of Panhandle), Arkansas (except southwestern corner), Kansas (except extreme west), eastern half of Nebraska, southwest corner of Iowa, small piece of southern South Dakota.	9.4
9. Dallas.....	Louisiana, Texas, southwest corner of Arkansas, southern and eastern New Mexico, small piece of southeastern Arizona.	5.
10. Denver.....	Colorado, Wyoming, Utah, western Nebraska, extreme west of Kansas, southwestern South Dakota, southern Idaho, southeast corner of Oregon, northeast corner of Nevada, northern half of Arizona, northern and western New Mexico, tip of Oklahoma Panhandle.	4.1
11. Seattle.....	Washington, northern Idaho, western half of Montana, Oregon (except for extreme south and west), Alaska.	3.3
12. San Francisco...	California, bulk of Nevada, south segment Oregon, southern Arizona, small southwestern part of New Mexico, Hawaii.	6.1

adjudication of claims. If a claim applies to a period containing compensable days of unemployment, the regional office certifies a benefit payment to the disbursing office of the Treasury, located in all but one instance in the same city, which prepares and mails the benefit check. Benefit checks, forms certifying that the waiting period has been served, and in some cases notices that the claim cannot be certified are mailed directly to the claimant at his home address. If a claim requires further investigation it is referred by the regional office to one of the 54 district offices of the Board. The district offices and the field agents attached to them constitute the local arm of the Board's administrative apparatus. In addition to

investigating individual claims by direct contact with claimants and other persons in possession of the required information, the district offices assist the countersigning and claims agents in maintaining proper standards of procedure and report to the regional offices any difficulties or apparent irregularities in the operation of claims agents.

### *Claims Procedure*

In applying for unemployment insurance benefits for the first time, or for the first time after the expiration of a benefit year, the unemployed worker must fill out a form known as the "application for certificate of benefit rights." This form is filed with the claims agent for transmission to the regional office and to it is attached the "certificate of service months and wages" furnished by the worker. The latter certificate, prepared by the Board, is distributed to railroad employees through the employer in May and June of each year. It shows the amount of compensation and months of service credited to the employee on the records of the Board for the base year as well as for the period from January 1937 through the last completed calendar year. It is, therefore, an official notification apprising the covered employee of the compensation credited to him for both retirement and unemployment insurance purposes and of his rights under either system. If the applicant does not have the certificate he lists on the application the names of his employers for the base year, indicating the departments or divisions in which he worked.

The major purpose of the application is to facilitate the determination of benefit rights in the regional office. For this reason, in addition to a certain amount of identifying and statistical information, the application calls for a statement as to whether the applicant agrees with the record of his base-year wages shown on the certificate and as to the use by the applicant of more than one social security account number. If the applicant believes that the record of his wages is incorrect, he is asked to list his employers in the base year, the periods of employment, and the amount of compensation. Such a statement of the employment history for the base year as well as the briefer description required of applicants who have no certificates is designed to expedite the correction of errors and the collection of missing wage reports.

In routine cases, the determination of benefit rights in the regional office is based on the certificate of service months and wages furnished with the application. The determination results in mailing to the applicant a "certificate of benefit rights," which shows, in addition to the base-year wages, the daily benefit amount and the maximum amount of benefits for the benefit year. Where no certificate of service months and wages is attached to the application, the determination is made by using the base-year wage register of all railroad employees, copies of which are available in every regional office. Only when the applicant protests his record of base-year wages or appears to have wages recorded under more than one social security account number will an investigation in the field or in the Washington headquarters be required prior to final determination. Even in the majority of such cases, however, a tentative determination is made subject to later adjustment.

At the same time as the applicant fills out an application he also initiates a "registration and claim form." While an application is made only once for a benefit year, a claim is prepared once in every registration period of 15 consecutive days beginning with the first day of unemployment. Space is provided on the claim form for registration with respect to each day of unemployment falling within the registration period. Under the regulations of the Board, registration with respect to the first day of unemployment must be made on the same day or, if it happens to be a Sunday or holiday, on the business day following. Registration with respect to each subsequent day of unemployment may be made on the same or the following business day. When the registration period of 15 consecutive days is completed, the claim is sent to the countersigning agent, and the claimant is furnished with a receipt or "a record of claim." If the claimant transfers from one claims agent to another during the registration period a transfer form is prepared by the original claims agent, who attaches the original to the claim for the first part of the registration period and gives a duplicate to the claimant. This duplicate is attached by the second claims agent to the claim for the remainder of the registration period.

Routine claims for a complete registration period reaching the regional office through countersigning

agents may contain registrations with respect to from 1 to 15 days of unemployment in the registration period. The significant dividing line is, of course, 7 or fewer as contrasted with 8 or more days of unemployment. The adjudication of claims in the latter group will result either in the mailing to the claimant of a "certificate of waiting-period credit" or in the certification of a benefit payment to the disbursing office of the Treasury. With the benefit certification goes also a notice to the claimant which is mailed from the Treasury with the check. This notice states that the check represents a benefit payment for compensable days of unemployment within a specified 15-day period.

Claims for a complete registration period containing 7 or fewer days of unemployment may be received from claimants either before or after they have served their waiting period. When received from claimants who have not yet served their waiting period, such claims cannot be certified either for waiting-period credit or for benefits. When such claims are received from claimants who have previously satisfied the waiting-period requirement, the days of unemployment registered on them must be taken into account in adjudicating a claim for the next registration period because under the Board regulations a half-month for which a benefit payment is certified need not coincide with the registration period. If a half-month can be established which begins with a day of unemployment in a registration period of less than 8 days of unemployment and ends in the next registration period and which contains the same or larger number of compensable days of unemployment than the second registration period, a benefit payment is certified on the basis of such half-month. For recordkeeping purposes the benefit certification in such cases is assumed to apply to the claim for the second registration period. However, the days of unemployment in the second registration period following the last day for which a benefit payment is certified are taken into account in adjudicating the claim for the third registration period.

In addition to claims for complete registration periods, claims are received which do not account for each of the 15 days as either a day of unemployment or a day in which the claimant is either employed or not available for work. If these are claims connected with a transfer from one claims

agent to another they are combined for the registration period. When the transfer involves more than one regional office the office to whose jurisdiction the claimant transferred will transmit the claim to the first regional office. It should be noted that the same procedure is followed in other interregional transfers which do not occur within a single registration period. Thus the complete docket for the claimant remains for the duration of the benefit year in the regional office which received his application and his first claim. Non-transfer claims for incomplete registration periods are processed in the same manner as claims for complete registration period.

The claims procedure of regional offices does not provide for the "disallowing" of claims in the sense in which that term is used in State unemployment compensation practice. Claims are received from employees who have failed to file applications for certificate of benefit rights or whose application shows less than \$150 in base-year compensation or the validity of whose registration with respect to some or all of the days of unemployment in the registration period is in doubt. Such claims are investigated through the district offices and field agents until cleared as valid compensable or noncompensable claims or set aside as invalid. The major factors in disallowance in State practice—no wage record or insufficient earnings—affect in regional office procedure the disposition of applications rather than of claims.<sup>5</sup> In this connection it should be noted that the device of preliminary notification of employees as to their unemployment benefit rights through the distribution of certificates of service months and wages tends to discourage the filing of applications by ineligible employees.

### *Statistics of Operations*

Tables 2, 3, and 4 present statistics covering substantially the first quarter of railroad unemployment insurance operations in July-September 1939. Claims agents began to accept applications and claims on June 26,<sup>6</sup> and regional offices were

<sup>5</sup> In effect all claims under the Railroad Retirement Board procedure are comparable to continued claims in State usage because they apply to a registration period and are filed at the end of such period. The application for certificate of benefit rights is similar to some extent to the first initial claim in a benefit year under State systems, serving the purpose mainly of a request for a determination of benefit rights. There are no railroad forms comparable to initial claims for second and subsequent claim series in the States.

<sup>6</sup> Because of the delay in providing the facilities, registrations with respect to days of unemployment between June 16 and June 25 were accepted even though not made on the same or following business day.

opened for application and claim processing on the same date. Statistics for the United States are presented on a weekly basis corresponding to the period for which regional offices furnish reports to Washington. Cumulative figures by regional offices are presented for the entire quarter.

**Table 2.—Applications for certificate of benefit rights received and certificates issued under the Railroad Unemployment Insurance Act, July-September 1939**

Week ended	Applications received	Certificates issued
Total through September 29.....	108,441	105,049
July 1.....	27,848	19,013
July 8.....	25,013	28,315
July 15.....	10,892	12,528
July 22.....	7,539	7,000
July 29 <sup>1</sup> .....	5,978	5,736
August 4.....	5,899	5,888
August 11.....	4,039	4,310
August 18.....	3,507	3,740
August 25.....	4,764	4,911
September 2.....	3,134	3,759
September 9.....	2,823	2,780
September 15.....	2,944	3,110
September 22.....	2,165	2,073
September 29.....	1,896	1,890

<sup>1</sup> 5-day period ended July 28.

Table 2 shows the number of applications for certificates of benefit rights received in the regional offices and the number of certificates issued. A total of 108,441 applications was received through September 29. This number approximates an unduplicated count of eligible workers who have been unemployed at any time between June 16 and the end of September and have exercised their rights under the law. Of the total applications, 1,213 were received from employees whose certificates of service months and wages showed base-year compensation below \$150, and 11,931 applications, or about 11 percent of the total, were received without certificates of service months and wages attached. Some of the applications in the latter group may also have been filed by employees whose base-year compensation was below the eligibility minimum. A total of 105,049 certificates of benefit rights was issued through September 29, or 3,392 less than the number of applications received. This difference is considerably larger than the load of applications pending routine processing or more detailed investigation, because the count of applications includes forms received from ineligible employees.

The weekly series (table 2) for both applications and certificates show a marked downward trend, because an application is filed and a certificate is

issued only once in the benefit year. The number of applications received in the first few weeks of operation reflects primarily the amount of unemployment which existed at the time facilities were first provided for filing applications and claims rather than the volume of new unemployment which began in the second half of June or in July.

Table 3 presents figures on claims received, certificates of waiting-period credit issued, and benefit certifications made in the regional offices through September 29. A total of 346,019 claims was received, and 265,177 certifications for waiting period or benefits were made during this period. The number of claims covered by the certifications for waiting period or benefits is somewhat in excess of 265,177, because of the cases mentioned above in which two or more claim forms apply to a single registration period. The number of claims received exceeds the number of claims certified by about 80,000. The balance of claims awaiting processing on September 29, however, did not exceed 16,000. The difference between these two figures approximates the number of claims on which no certification action could be taken because they applied to registration

**Table 3.—Claims received, certificates of waiting-period credit issued, and benefit payments certified under the Railroad Unemployment Insurance Act, July-September 1939**

Period	Claims received	Certificates of waiting-period credit issued	Benefit payments certified		
			Number	Amount	Average per certification
Total through September 29.....	346,019	88,362	176,815	\$2,608,999.50	\$14.76
July 1-July 22.....	79,832	34,601	5,391	79,676.75	14.76
July 24-July 28.....	16,918	10,302	12,880	180,121.25	13.98
Week ended August 4.....	32,596	6,894	7,903	127,213.25	16.10
Week ended August 11.....	23,981	6,182	16,134	240,879.25	14.93
Week ended August 18.....	29,845	6,047	14,320	214,407.50	14.97
Week ended August 25.....	27,387	4,280	16,706	256,264.50	15.34
Week ended September 2.....	23,840	5,028	16,535	241,141.00	14.58
Week ended September 9.....	31,770	3,614	18,717	284,621.50	15.23
Week ended September 15.....	24,408	5,056	24,556	367,800.25	14.98
Week ended September 22.....	33,953	3,312	25,678	380,331.50	14.81
Week ended September 29.....	21,704	2,956	19,996	290,743.75	13.34

periods with fewer than 8 days of unemployment, or because, in a small proportion of cases, they were filed by ineligible workers.

The total amount of benefits certified during the period is nearly \$2,609,000, or an average of \$14.76 per certification. These certifications apply to a period of 15 consecutive days in which

there are at least 8 days of unemployment; the number of compensable days of unemployment may vary from 1 to 8. The certification may vary, therefore, from \$1.75 (1 compensable day at the minimum rate) to \$24.00 (8 compensable days at the maximum rate). The average benefit per

**Table 4.—Applications for certificate of benefit rights and claims received, certificates of waiting-period credit issued, and benefit payment certifications made under the Railroad Unemployment Insurance Act, by regional offices, July-September 1939**

Region	Applica- tions re- ceived	Claims received	Certifi- cates of waiting- period credit issued	Benefit payments certified	
				Number	Average amount per certi- fication
<b>Total</b> .....	108,441	346,019	88,362	178,815	\$14.78
Boston.....	4,690	13,879	3,781	6,064	18.54
New York.....	25,057	81,761	20,267	30,917	14.33
Cleveland.....	12,920	43,969	11,159	24,025	14.10
Chicago.....	17,966	57,397	14,911	28,707	14.44
Richmond.....	4,028	13,381	3,325	7,062	15.04
Atlanta.....	11,301	38,938	9,244	21,310	15.05
Minneapolis.....	4,041	9,813	2,885	4,582	14.40
Kansas City.....	10,748	33,612	8,697	17,628	15.01
Dallas.....	6,677	23,819	5,498	12,537	14.08
Denver.....	4,388	12,048	3,510	5,700	15.30
Seattle.....	2,059	4,962	1,615	2,262	15.73
San Francisco.....	4,567	12,450	3,670	6,121	16.09

certification is scarcely comparable with average State benefits for weeks of total unemployment; many benefits are certified for what in State practice would be considered a week of total unemployment plus a week of partial unemployment or for two weeks of partial unemployment.

As indicated above, money for benefits is withdrawn from the railroad unemployment insurance account in the unemployment trust fund maintained by the Treasury. In the first quarter of operations, before the collection of contributions was begun and before any substantial transfers from State accounts could be effected, the money in the railroad unemployment insurance account consisted almost wholly of an advance by the Treasury provided for in the Railroad Unemployment Insurance Act and repayable on or before January 1, 1941.<sup>7</sup>

The weekly series on claims received (table 3) tends to show a recurrence of a relatively large number in one week followed by a considerably smaller number in the next week, followed in its turn by a large volume of receipts in the third week. In interpreting this series it should be

<sup>7</sup> See table 4, p. 89 of this issue.

recalled that a claim is completed and transmitted to the regional office only once in a period of 15 consecutive days. If a substantial number of continuously unemployed workers, therefore, completed their claims in the third week after the beginning of operations, and if they continue to remain unemployed and file claims for some time thereafter, their claims are bound to increase the volume of receipts every other week. Again, because a claim is filed only once in a period of 15 days the number of claims filed or received during a week does not account for all eligible claimants unemployed at some time during that week. The claims for a number of them may be filed or received in the next week.

The weekly series on certificates of waiting-period credit issued (table 3) shows a pronounced decline because such a certificate need be issued only once for each benefit year and no more than two such certificates can be issued to an employee in a period of 12 months. Similarly, the weekly series on the number of benefit certifications shows a substantial increase after the first few weeks of operation, because the first claim is not compensable and can be certified only for waiting-period credit.

In comparing figures presented in table 3 with those shown in table 2 it should be recalled that there is a lag of approximately 2 weeks between the filing of an application and the filing of the first claim.<sup>8</sup> A similar lag would exist in many cases between the issue of a certificate of benefit rights and the issue of a certificate of waiting-period credit, and again between the certification for waiting period and the certification for the first benefit payment. Thus, only about 101,000 of the approximately 105,000 applicants to whom certificates of benefit rights were issued by the end of September had time to satisfy the waiting-period requirement during that period. In fact, certificates of waiting-period credit were issued to 88,362 of them. Of this group, only the claims from about 82,000 could have been certified for benefit payment. The total number of 176,815 benefit certifications through September 29 applies therefore to a maximum of about 82,000 claimants.

<sup>8</sup> The claimant *initiates* his first claim at the time he makes application for certificates of benefit rights, but the filing of the claim takes place only upon expiration of a registration period of 15 consecutive days beginning with the first day of unemployment.

Table 4 presents cumulative figures, by regional offices, for the first calendar quarter of operations. It will be noted that the distribution of applications by regions is substantially similar to the distribution of total employee coverage shown in the tabular outline of regional jurisdictions. The difference between the number of claims received and the number of certifications for waiting period and benefits falls for all regional offices within the range of 20 to 25 percent of claims received. As stated above, this difference is accounted for in large part by claims for registration periods with

less than 8 days of unemployment. The average amount of benefits per benefit certification varies from a low of \$14.08 in Dallas and \$14.10 in Cleveland to a high of \$16.99 for San Francisco, which is considerably above the average for any other region. This variation is caused by differences in the daily benefit amounts and in the number of compensable days per certification. The analysis of benefit certifications is not sufficiently advanced at present to explain these differences in terms of the economic and business factors underlying them.