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100. COVERAGE

The coverage provisions of State unemployment insurance laws determine the employers who are liable for contributions and the workers who accrue rights under the laws. Except for nonprofit organizations, coverage is defined in terms of (a) the size of the employing unit's payroll or the number of days or weeks worked during a calendar year, (b) the contractual relationship of the workers to the employer, and (c) the place where the worker is employed. Coverage under the laws is limited by exclusion of certain types of employment. In most States, however, coverage can be extended to excluded workers under provisions which permit voluntary election of coverage by employers.

The coverage provisions of the State laws, in general, have been influenced by the taxing provisions of the Social Security Act, now the Federal Unemployment Tax Act (FUTA), since employers who pay contributions under an approved State unemployment insurance act may credit their State contributions against a specified percentage of the Federal tax.

Other coverage provisions are influenced by the requirements of the Federal law which provide, as a condition for approval of the State law, that certain services, although they continue to be excluded from Federal coverage under the FUTA must be covered under the State law; i.e., service for certain nonprofit organizations and service performed for State hospitals and State institutions of higher education. Prior to 1956, the Federal law was applicable to employers of eight or more workers on at least 1 day in each of 20 different weeks in a calendar year. The size-of-firm criteria was reduced to four in 1956 and to one in 1972. In addition, the FUTA is now applicable to employers who during any calendar quarter in the current or immediately preceding calendar year paid wages of $1,500 or more or to employers of one or more workers on at least 1 day in each of 20 weeks during the current or immediately preceding calendar year (Table 100).

The Federal and State definitions of employment exclude certain types of service from coverage (sec. 125). Since 1939 railroad workers have been excluded from coverage under the Federal-State system and covered by a special Federal unemployment insurance program administered by the Railroad Retirement Board.

105 Employers Covered

The coverage provisions of most State laws utilize definitions of employing unit and employer. The employing unit is the more inclusive term: it is any individual or any one of specified types of legal entity that had one or more individuals performing service for it within the State. All employing units are subject to the act with respect to the furnishing of required reports. An employer is an employing unit that meets specific requirements and hence is subject to contributions and its workers accrue rights for benefits.

The employer covered is determined by the number of days or weeks a worker is employed or the amount of the employer's quarterly or yearly payroll. Originally, most State laws covered only those employers who, within a year, had eight or more

workers in each of 20 weeks. This was due largely to the coverage provisions of the FUTA. As the States gained experience in administering unemployment insurance and as a result of the 1954 and 1970 amendments to the FUTA smaller firms have been brought under the acts in all States.

Thirty States have adopted the Federal definition of employer; i.e., a quarterly payroll of $1,500 in the calendar year or preceding calendar year or one worker in 20 weeks. Eight States provide the broadest possible coverage by including all employers who have any covered service in their employ. The other States have requirements of less than 20 weeks or payrolls other than $1,500 in a calendar quarter (Table 100).

110 Coverage by Reason of a Federal Requirement

The 1970 amendments to the FUTA for the first time require that, as a condition for approval of the State law, certain services must be covered under the State law. This Federal requirement for the extension of coverage differs from an extension of coverage by reason of Federal coverage. If a State law fails to cover services that are covered under the FUTA, the employer must pay the full Federal tax and the employee may get no benefits based on such services, but certification of the State law is unaffected. If, however, a State law fails to cover services which the Federal law requires the State to cover, or excludes services from coverage, the State law would not be approved for purposes of tax credits against the Federal tax and no employer in the State would receive a tax credit for State contributions.

110.01 Coverage of nonprofit organizations.--Service for nonprofit organizations continues to be excluded from coverage under the FUTA, but some service is required to be covered under the State laws. Coverage under State laws is required for service for nonprofit organizations which employ four or more workers in 20 weeks, are organizations which are described in section 501 (c)(3) of the Federal Internal Revenue Code of 1954, and which are exempt from Federal income tax under section 501 (a) of the code. However, a number of States have covered nonprofit organizations under the regular coverage provisions. The State law is required to give each nonprofit organization that must be covered an option on financing benefits. Such nonprofit organizations must be given the right either to reimburse the State for benefits paid or pay contributions under the State law's regular tax provisions.

110.02 Coverage of State hospitals and institutions of higher education.--The Federal law requires that the States cover certain services for State hospitals and institutions of higher education. When hospitals and institutions of higher education are operated by more than one State or their instrumentalities, the service is covered in the State in which the hospital or institution of higher education is located. States are required to pay compensation on their services under the same terms and conditions as for other covered services. The States are provided the choice of financing benefits either through contributions or through reimbursement of benefits paid. The Federal law also requires the States to allow their political subdivisions to elect coverage of services performed in hospitals and institutions of higher education of any such subdivision. Such political subdivisions are required to make payments in lieu of contributions to the State unemployment fund.

115 Employer-Employee Relationship

The relationship of a worker to the person for whom he performs services also influences whether his employer must count him in determining liability under the law. In Alabama the statute defines employee in terms of a master-servant relationship

but most State laws do not define or use the word employee. The common law master-servant relationship is the principal consideration in the determination of coverage in four other States: in Kentucky, Minnesota and Mississippi the master-servant concept is only part of the statutory definition of employee status; in the District of Columbia the ordinary rules relating to master-servant apply by regulation. California and New York have a general definition of employment in terms of services performed under "any contract of hire, written or oral, express or implied"; Connecticut and North Carolina, with similar provisions, limit the contract of hire to one creating the legal relationship of employer-employee.

Most of the laws have a broader concept of what constitutes an employer-employee relationship. They have incorporated strict tests of what constitutes such absence of control by an employer over a worker that he would be classed as an independent contractor rather than an employee. In a few States the effect of these tests has been negated by court decisions holding that if the employer-employee or master-servant relationship is not established, the tests need not be applied. More than half the States provide that service for remuneration is considered employment unless it meets each of three tests: (A) the worker is free from control or direction in the performance of his work under his contract of service and in fact; (B) the service is performed either outside the usual course of the business for which it is performed or is performed outside of all places of business of the enterprise for which it is performed; and (C) the individual is customarily engaged in an independent trade, occupation, profession, or business. A few States require the first or third test only; other States, any one of them; some States, the first and one other (Table 102).

120 Location of Employment

With 52 jurisdictions operating separate unemployment insurance laws, it is essential to have a basis for coverage that will keep individuals who work in more than one State from falling between two or more State laws and will also prevent the requirement of duplicate contributions on the wages of a single individual. Therefore, the States have adopted a uniform definition of employment in terms of localization of work. This definition provides for coverage of the entire services of a multistate worker in one State only, the State in which he will most likely look for a job when he becomes unemployed. Under this definition of the localization of employment, a traveling salesman, living in Michigan and working for a firm with headquarters in New York, would be considered to have his services localized in Michigan and covered there if all his work was there or if most of it was there and his work outside the State was incidental and temporary. If his services cannot be considered to be localized in any one State, the entire service can still be covered in one State--in New York from which his services are directed if he does some work there, or in Michigan where he lives if he does some work there and travels in other nearby States.

If an individual performs no service in the State where his base of operations is located, none in the State from which his service is directed or controlled, nor in the State where he resides, then under the additional test the service would be covered in the State where his base of operations is located.

120.01 Election of coverage of services performed outside the State.--The laws of most States permit employers to elect coverage of workers who perform their services entirely outside the State if they are not covered by any other State or Federal unemployment insurance law. Of the States permitting such elections, residence is required in the State of election in all but Connecticut, Illinois, Indiana, Michigan, Nebraska, Oregon, Pennsylvania, and Wisconsin.

120.02 Coverage of services performed outside the United States.--Prior to the 1970 amendments to the FUTA, employment included only services performed within the United States, with the exception of certain services performed in connection with an American vessel or aircraft. With respect to services performed after 1971, the Federal law also covers services performed outside the United States by an American citizen for an American employer. Coverage of such services is not applicable to services performed in a contiguous country with which the United States has an agreement relating to unemployment insurance (Canada) or in the Virgin Islands.

In determining the State of coverage, the following four tests are applicable: (A) the State in which the employer has his principal place of business; (B) the State in which the employer has his residence; (C) the place in which the employer elects coverage; or (D) the State in which the individual files a claim.

120.03 Election of coverage through reciprocal coverage arrangements.--To provide continuity of coverage for individuals working successively in different States for the same employer, most States have adopted legislation which enables them to enter into reciprocal arrangements with other States and under which such services are covered in a single State by election of the employer. The arrangements permit an employer to cover all the services of such a worker in any State in which any part of his service is performed or where he has his residence or the employer maintains a place of business. Forty-five[1] States are participating under such arrangements.

Services covered under the terms of reciprocal arrangements are typically those performed by individuals who contract by the job and whose various jobs are in different States. An engineer, who works for an Illinois firm on a construction job in Minnesota which lasts for 6 months and who then goes to Texas on a job for 9 months, might be covered by both the Minnesota and Texas laws, respectively, for the services performed in each. Under the reciprocal arrangement, the Illinois employer could elect to have all services performed by this engineer covered by the Illinois law.

All the States have provisions for the election of coverage of services outside the State not covered elsewhere or of services allocated to the State under a reciprocal agreement.

125 Employments Specifically Excluded

Employment covered by the State laws is defined mainly in terms of services excluded from coverage. The definitions, in general, follow the exclusions under the FUTA.

This section presents a brief discussion of each of the exclusions which occur in all or nearly all the State laws, followed by a tabulation of the other more frequent exclusions (Table 103). A great many miscellaneous exclusions which occur in only a few States and affect relatively small groups have been omitted.

125.01 Agricultural labor.--The State laws included in the Federal-State unemployment insurance program exclude agricultural labor from coverage, except in the District of Columbia, Hawaii, Minnesota and Puerto Rico. Most of the laws include substantially the same exclusions as those in the FUTA, as amended in 1939 and 1970.

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[1] All except Alaska, Connecticut, Kentucky, Mississippi, New Jersey, New York, and Puerto Rico.

COVERAGE

Prior to the 1939 amendments, agricultural labor was defined for purposes of the Federal law by administrative regulation of the Bureau of Internal Revenue. Services on a farm in the raising and harvesting of any agricultural product were excluded, as were services in some processing and marketing activities when performed for the farmer who raised the crop and as an incident to primary farming operations. Most of the States similarly defined agricultural labor by regulation or interpretation. The definition of agricultural labor added to the FUTA in 1939 broadened the exclusion; some processing and marketing activities were excluded whether or not they were performed in the employ of the farmer. Also excluded were services in the management and operation of a farm, if they were performed for the farm owner or operator.

The 1970 amendments to the FUTA narrowed the definition of agricultural labor, thereby extending coverage to some marginal agricultural activities. Three tests are applied in determining whether services are agricultural labor: (1) the service must be performed in the employ of the operator of a farm; (2) the service must be performed with respect to a commodity in its unmanufactured state; and (3) the operator must have produced more than one-half of a commodity with respect to which the service is performed. If any of the three tests is not met, the services are not agricultural labor and are not excluded from coverage.

The District of Columbia, an urban community, has no exclusion of agricultural labor; it specifies, by regulation, that employers engaged in the operation of agricultural establishments, farms, nurseries, and dairies are included within the act. Hawaii and Minnesota limit agricultural labor exclusion to services performed on the smaller farms; agricultural labor is covered if it is performed for an employing unit which had 20 or more persons (Hawaii) or 4 or more persons (Minnesota) engaged in agricultural employment in each of 20 weeks in the current or the preceding calendar year. However, in Hawaii agricultural employers may elect to be covered instead by the Hawaii agricultural unemployment compensation law, which is not part of the Federal-State unemployment insurance system. In Puerto Rico, agricultural employment in the sugarcane industry, formerly covered under a separate program, is now covered under the Employment Security Act. However, the amount of benefits paid to these workers, and to other agricultural workers whose employers have elected coverage, differs from that applicable to other covered workers (sec. 320.01).

125.02 Domestic service.--Four States cover personal or domestic service in private homes, college clubs or fraternities. The District of Columbia and New York cover such service if the quarterly payroll is at least $500; Hawaii if the payroll is $225 or more; and Arkansas if the quarterly payroll is at least $500 or the employer had 3 or more workers performing domestic service. The remaining States exclude domestic service in private homes and most of them exclude such service for college clubs and fraternity and sorority chapters as shown in Table 103.

125.03 Service for relatives.--All States exclude service for an employer by his spouse or minor child and, except in New York, service of an individual in the employ of his son or daughter.

125.04 Exempt nonprofit organizations, State hospitals and institutions of higher education.--Although the 1970 amendments provided for coverage of certain services performed for nonprofit organizations and for State hospitals and institutions of higher education, the amendments permit the State to exclude from State coverage certain services. Services performed for a church, convention or association of churches, or an organization operated primarily for religious purposes are exempt. Also exempt are services performed by a duly ordained,

commissioned, or licensed minister or a member of a religious order; in the employ of a school which is not an institution of higher education; in a facility conducting a program of rehabilitation for persons whose earning capacity is impaired; in a government sponsored work-relief or work-training program; or by inmates of correctional institutions employed in a hospital connected with the institution.

125.05 Service of students and spouses of students.--Prior to the 1970 amendments, service in the employ of a school, college or university by a student enrolled and regularly attending classes at such school was excluded from the definition of employment. The 1970 amendments retained this exclusion and also excluded service performed after December 31, 1969, by a student's spouse for the school, college or university at which the student is enrolled and regularly attending classes, provided the spouse's employment is under a program designed to give financial assistance to the student, and the spouse is advised that the employment is under such student-assistance program and is not covered by any program for unemployment insurance. Also excluded after December 31, 1969, is service by a full-time student under the age of 22 in a work-study program provided that the service is an integral part of the program.

125.06 Service of patients for hospitals.--The 1970 amendments excluded service performed for a hospital after December 31, 1969, by patients of the hospital. Such service may be excluded from coverage under the State law whether it is performed for a hospital which is operated for profit or for a nonprofit or State hospital which must be covered under the State law.

125.07 Service for Federal instrumentalities.--An amendment to the FUTA, effective with respect to services performed after 1961, permits States to cover Federal instrumentalities which are neither wholly nor partially owned by the United States, nor exempt from the tax imposed under section 3301 of the Federal Internal Code by virtue of any other provision of law which specifically refers to such section of the Code in granting such exemptions. All States except New Jersey have provisions in their laws that permit the coverage of service performed for such wholly privately owned Federal instrumentalities.

125.08 Service for State and local governments.--Although the Federal act requires that certain service for State hospitals and State institutions of higher education be covered under the State law, it continues to exclude from coverage under the act service performed for State and local governments or their instrumentalities.

All States cover at least those categories of workers required to be covered under the Federal law and most States provide some form of coverage for other State and local government workers (Table 104). About one-half of the States provide mandatory coverage for all State employees, and permit election of coverage by municipal corporations or other local government subdivisions. Connecticut, Hawaii, Minnesota, Ohio and Oregon provide mandatory coverage for both State and local government employees. Several States, in addition to covering their own government workers, also provide mandatory coverage for special groups of workers employed by their instrumentalities or political subdivisions.

Almost all of the States that have extended mandatory coverage to their State and/or local employees make certain exceptions to this coverage. Sixteen States[2] specifically exclude services performed by elected officials and eight States[3] exempt individuals working as consultants or on a fee basis. A few States do not specify exclusions in their laws, but instead cover only employees in the classified

[2] Conn., Del., Fla., Idaho., Ill., Iowa, La., Minn., Wis., Oreg., Okla., Pa., R.I., S.D., Utah, Wash.

[3] Del., Fla., La., Oreg., Pa., R.I., Wash., Wis.

service. In addition, most States exclude certain types of temporary, seasonal or part-time work. For example, Illinois, Iowa, Oregon, Rhode Island and South Dakota exclude emergency work such as firefighting, snow removal and flood work, while Minnesota and Wisconsin specify that temporary services directly involved in emergency firefighting are not covered. Another common exclusion applies to State National Guard duties; a few States exclude only summer camp activities.

About a third of the States permit election of coverage by governmental units at both the State and local levels. The District of Columbia has elected coverage for all of its employees. Massachusetts, by legislative action, authorizes named instrumentalities of the State to elect coverage, while Vermont excludes State employees but permits political subdivisions to elect coverage. Pennsylvania permits elective coverage of services performed for municipal authorities, school cafeterias and volunteer fire companies.

While all the States finance the payment of unemployment benefits by means of contributions from covered employers, there is a variation in this pattern when the employer is the State government itself or any of its units. Some States conform to the standard procedure and require contributions in the regular manner; others have adopted the system of being billed, usually at quarterly intervals, for the amount of benefits charged to their respective accounts, and then repaying such amount into the State unemployment compensation fund. California and Utah require contributions from the State itself, but permit reimbursement by the local units. Connecticut, New York and Oregon require reimbursements from themselves, but permit a choice of contributions or reimbursement from local units.

125.09 Maritime workers.--The FUTA and most State laws initially excluded maritime workers, principally because it was thought that the Constitution prevented the States from covering such workers. Supreme Court decisions in *Standard Dredging Corporation v. Murphy and International Elevating Company v. Murphy*, 319 U.S. 306 (1943), were interpreted to the effect that there is no such bar. In 1946 the FUTA was amended to permit any State from which the operations of an American vessel operating on navigable waters within or within and without the United States are ordinarily regularly supervised, managed, directed, and controlled, to require contributions to its unemployment fund under its State unemployment compensation law.

Some States whose laws did not specifically exclude maritime workers automatically covered such workers after 1943. In others, coverage was automatic after 1946 because of provisions that State coverage would follow any extension of Federal coverage. Many other States took legislative action to limit the exclusion of maritime service to service performed on non-American vessels. At present most laws provide for coverage of maritime workers. In the only coastal States without such statutory coverage, maritime workers are covered indirectly. New York has entered into reciprocal arrangements covering such workers, and in Maryland, Mississippi, and South Carolina, maritime employers have elected coverage. In Arizona, Montana, Nevada, and North Dakota, the exclusion of maritime workers has little meaning.

125.10 Coverage of service by reason of Federal coverage.--Most States have a provision that any service covered by the FUTA is employment under the State law (Table 101). Massachusetts and Nevada have a similar provision with respect to particular types of employment as indicated in the footnotes to the table.

This provision would permit immediate coverage of workers in such excluded services as agricultural labor if the Federal act were amended to include them. Many States have added another provision that automatically covers any service which the Federal law requires to be covered even though it is service which is not covered under the Federal law.

125.11 Voluntary coverage of excluded employments.--In all States except Alabama, Massachusetts, and New York, employers, with the approval of the State agency, may elect to cover most types of employment which are exempt under their laws. The Massachusetts law, however, does permit services for nonprofit organizations to be covered on an elective basis and the New York law permits employers to elect coverage of agricultural workers under certain conditions.

125.12 Self-employment.--Employment, for purposes of unemployment insurance coverage, is employment of workers who work for others for wages; it does not include self-employment. Although the protection of the Federal old-age, survivors and disability insurance program has been extended to most of the self-employed, protection under the unemployment insurance program is not feasible, largely because of the difficulty of determining whether in a given week a self-employed worker is unemployed. One small exception has been incorporated in the California law. A subject employer may apply for coverage of his own services: if his election is approved, his wages for purposes of contributions and benefits are deemed to be $2,148 a quarter, and his contribution rate is fixed at 1.25 percent of wages.

(Next page is 1-13)

TABLE 100.--DEFINITION OF EMPLOYER

State	One employee			Alternative payroll conditions (4 States)[1]	Nonprofit Employers One or more[3] (19 States)
	In 20 weeks[1] (34 States)	At any time (8 States)	Other (10 States)		
(1)	(2)	(3)	(4)	(5)	(6)
Ala.	X	. . . . .	. . . . .	. . . . .	. . . . .
Alaska	. . . . .	X	. . . . .	. . . . .	. . . . .
Ariz.	X	. . . . .	. . . . .	. . . . .	. . . . .
Ark.	. . . . .	. . . . .	10 days	. . . . .	X
Calif.	. . . . .	. . . . .	Over $100 in qtr.	. . . . .	X
Colo.	X	. . . . .	. . . . .	. . . . .	. . . . .
Conn.	X	. . . . .	. . . . .	. . . . .	X
Del.	X	. . . . .	. . . . .	. . . . .	. . . . .
D.C.	. . . . .	X	. . . . .	. . . . .	X
Fla.	X	. . . . .	. . . . .	. . . . .	. . . . .
Ga.	X	. . . . .	. . . . .	. . . . .	. . . . .
Hawaii	. . . . .	[2]X	. . . . .	. . . . .	X
Idaho	X	. . . . .	. . . . .	$300 in qtr.	X
Ill.	X	. . . . .	. . . . .	. . . . .	. . . . .
Ind.	X	. . . . .	. . . . .	. . . . .	. . . . .
Iowa	X	. . . . .	. . . . .	. . . . .	X
Kans.	X	. . . . .	. . . . .	. . . . .	. . . . .
Ky.	X	. . . . .	. . . . .	. . . . .	. . . . .
La.	X	. . . . .	. . . . .	. . . . .	. . . . .
Maine	X	. . . . .	. . . . .	. . . . .	. . . . .
Md.	. . . . .	X	. . . . .	. . . . .	X
Mass.	. . . . .	. . . . .	[1]13 weeks	. . . . .	X
Mich.	X	. . . . .	. . . . .	$1000 in yr.	X
Minn.	X[2]	. . . . .	. . . . .	. . . . .	X
Miss.	X	. . . . .	. . . . .	. . . . .	. . . . .
Mo.	X	. . . . .	. . . . .	. . . . .	. . . . .
Mont.	. . . . .	. . . . .	Over $500 in yr.	. . . . .	X
Nebr.	X	. . . . .	. . . . .	. . . . .	. . . . .
Nev.	. . . . .	. . . . .	$225 in qtr.	. . . . .	. . . . .
N.H.	X	. . . . .	. . . . .	. . . . .	X
N.J.	. . . . .	. . . . .	$1000 in yr.	. . . . .	X
N.Mex.	X	. . . . .	. . . . .	$450 in qtr.	X
N.Y.	. . . . .	. . . . .	$300 in qtr.	. . . . .	. . . . .
N.C.	X	. . . . .	. . . . .	. . . . .	. . . . .
N.Dak.	X	. . . . .	. . . . .	. . . . .	. . . . .
Ohio	X	. . . . .	. . . . .	. . . . .	. . . . .
Okla.	X	. . . . .	. . . . .	. . . . .	. . . . .

(Table continued on next page)

TABLE 100.--DEFINITION OF EMPLOYER (CONTINUED)

State	One employee			Alternative payroll conditions (4 States)1/	Nonprofit Employers One or more3/ (19 States)
	In 20 weeks1/ (34 States)	At any time (8 States)	Other (10 States)		
(1)	(2)	(3)	(4)	(5)	(6)
Oreg.	. . . . .	. . . . .	X	$225 in qtr.	X
Pa.	. . . . .	X	. . . . .	. . . . .	. . . . .
P.R.	. . . . .	X	. . . . .	. . . . .	X
R.I.	. . . . .	X	. . . . .	. . . . .	X
S.C.	X	. . . . .	. . . . .	. . . . .	. . . . .
S.Dak.	X	. . . . .	. . . . .	. . . . .	. . . . .
Tenn.	X	. . . . .	. . . . .	. . . . .	. . . . .
Tex.	X	. . . . .	. . . . .	. . . . .	. . . . .
Utah	. . . . .	. . . . .	$140 in qtr.	. . . . .	. . . . .
Vt.	X	. . . . .	. . . . .	. . . . .	. . . . .
Va.	X	. . . . .	. . . . .	. . . . .	. . . . .
Wash.	. . . . .	X	. . . . .	. . . . .	X
W.Va.	X	. . . . .	. . . . .	. . . . .	. . . . .
Wis.	X	. . . . .	. . . . .	. . . . .	. . . . .
Wyo.	. . . . .	. . . . .	$500 in yr.	. . . . .	. . . . .

1/ Or a quarterly payroll of $1500 during a calendar year or preceding calendar year, except in Idaho, Mich., N.Mex., Oreg. (See col. 5).

2/ Also covers employers of 20, Hawaii, and 4, Minn., or more agricultural workers in 20 weeks.

3/ All other States cover nonprofit organizations that employ 4 or more in 20 weeks as required by Federal law.

TABLE 101.--STATE COVERAGE RESULTING FROM CHANGES IN FEDERAL LAWS

State	Employer includes any employing unit		Employment includes any service	
	Liable for any Federal tax (41 States)	Required to be covered under any Federal law (35 States)	Liable for any Federal tax (44 States)	Required to be covered under Federal law (39 States)
(1)	(2)	(3)	(4)	(5)
Ala.	X	X	X	X
Alaska	(1)	. . . . .	X	X
Ariz.	X	X	X	X
Ark.	X	X	X	X
Calif.	. . . . .	. . . . .	. . . . .	. . . . .
Colo.	X	X	X	X
Conn.	X	X	X	X
Del.	X	X	X	X
D.C.	(1)	. . . . .	X	X
Fla.	X	X	X	X
Ga.	X 2/	X 2/	X 3/	. . . . .
Hawaii	(1)	. . . . .	X	X
Idaho	. . . . .	. . . . .	X	X
Ill.	X	X	X	X
Ind.	X	X	X	. . . . .
Iowa	X	X	X	X
Kans.	X	X	X	X
Ky.	X	X	X	X
La.	X	X	X	X
Maine	X	X	X	X
Md.	X	X	. . . . .	. . . . .
Mass.	X 4/	. . . . .	. . . . .	. . . . .
Mich.	X	. . . . .	X 4/	X 4/
Minn.	X	X	X	X
Miss.	. . . . .	. . . . .	X	X
Mo.	X	X	X	X
Mont.	X	X	. . . . .	. . . . .
Nebr.	X	X	X	X
Nev.	X	. . . . .	X	X
N.H.	X	. . . . .	. . . . .	. . . . .
N.J.	X	X	X	X
N.Mex.	X	X	X	X
N.Y.	. . . . .	. . . . .	. . . . .	. . . . .
N.C.	X	X	X	X
N.Dak.	X	X	X	X
Ohio	X	X	X	X
Okla.	X	X	X	X
Oreg.	. . . . .	. . . . .	X	X
Pa.	(1)	. . . . .	X	X
P.R.	X	X	X	. . . . .
R.I.	X	X	X	X
S.C.	. . . . .	. . . . .	. . . . .	. . . . .

(Table continued on next page)

TABLE 101.--STATE COVERAGE RESULTING FROM CHANGES IN FEDERAL LAWS (CONTINUED)

State	Employer includes any employing unit		Employment includes any service	
	Liable for any Federal tax (41 States)	Required to be covered under any Federal law (35 States)	Liable for any Federal tax (44 States)	Required to be covered under Federal law (39 States)
(1)	(2)	(3)	(4)	(5)
S.Dak.	. . . . .	. . . . .	X	X
Tenn.	X	. . . . .	X	X
Tex.	X	X	. . . . .	. . . . .
Utah	X	X	X	X
Vt.	X	X	X	X
Va.	X	X	X	X
Wash.	X	X	X	. . . . .
W.Va.	X	. . . . .	X 4/	. . . . .
Wis.	X	X	X	X 5/
Wyo.	X	X	X	X

1/ No such provision; none needed since State law covers employers of one or more workers at any time.

2/ Law states that nothing shall be construed to require identical coverage to the FUTA.

3/ Remuneration for services performed in the State and subject to the FUTA defined as wages for employment.

4/ Not applicable to classes of employers whose inclusion would adversely affect efficient administration or impair fund (Mass.); to service performed by a student in a work-study program, or part-time service by a minor student, or by a member of a band or orchestra (Mich.); or to agricultural labor and domestic service (W.Va.).

5/ Applies only to service performed for a nonprofit organization or for a government hospital or institution of higher education.

TABLE 102.--COVERAGE AS DETERMINED BY EMPLOYER-EMPLOYEE RELATIONSHIP

State	Services considered employment unless--			Other provisions
	Workers are free from control over performance	Service is outside regular course or place of employer's business	Worker is customarily in an independent business	
(1)	(2)	(3)	(4)	(5)
Ala.	. . . . .	. . . . .	. . . . .	Master-servant.
Alaska	X	and X	and X	
Ariz.	. . . . .	. . . . .	. . . . .	Service of employee.[1]
Ark.	X	and X	and X	
Calif.	. . . . .	. . . . .	. . . . .	Contract of hire. [2]
Colo.	X	and X	and X	
Conn.	. . . . .	. . . . .	. . . . .	Contract of hire creating employee relationship.
Del.	X	and X	and X	
D.C.	. . . . .	. . . . .	. . . . .	Contract of hire and master-servant.[2][3]
Fla.	. . . . .	. . . . .	. . . . .	Service of employee.[1]
Ga.	X	and X	and X	
Hawaii	X	and X	and X	
Idaho	X	. . . . .	and X	Contract of hire and in fact.[2]
Ill.	X	and X	and X	
Ind.	X	and X	and X	
Iowa	X	. . . . .	. . . . .	Contract of hire and in fact.[2]
Kans.	X	and X	. . . . .	
Ky.	. . . . .	. . . . .	. . . . .	Master-servant.
La.	X	and X	and X	
Maine	X	and X	and X	
Md.	X	and X	and X	
Mass.	X	and X	and X	
Mich.	X	. . . . .	. . . . .	Contract of hire and in fact.
Minn.	. . . . .	. . . . .	X	Master-servant.
Miss.	X	. . . . .	. . . . .	Master-servant.
Mo.	X	and X	and X	
Mont.	X	and X	and X	
Nebr.	X	and X	and X	
Nev.	X	and X	and X	
N.H.	X	and X	and X	
N.J.	X	and X	and X	
N.Mex.	X	and X	and X	
N.Y.	. . . . .	. . . . .	. . . . .	Contract of hire.[2]
N.C.	. . . . .	. . . . .	. . . . .	Contract of hire creating employee relationship.
N.Dak.	. . . . .	. . . . .	X	Contract of hire.

(Table continued on next page)

TABLE 102.--COVERAGE AS DETERMINED BY EMPLOYER-EMPLOYEE RELATIONSHIP (CONTINUED)

State	Services considered employment unless--			Other provisions
	Workers are free from control over performance	Service is outside regular course or place of employer's business	Worker is customarily in an independent business	
(1)	(2)	(3)	(4)	(5)
Ohio	X	and X	and X	
Okla.	X	or X	and X	
Oreg.	X	. . . . .	and X	
Pa.	X	. . . . .	and X	
P.R.	X	and X	and X	
R.I.	X	and X	and X	
S.C.	. . . . .	. . . . .	. . . . .	Contract of hire. 2/
S.Dak.	X	and X	and X	
Tenn.	X	and X	and X	
Tex.	X	. . . . .	. . . . .	Contract of hire. 2/
Utah	X	and X	and X	
Vt.	X	and X	and X	
Va.	X	and X	or X	
Wash.	X	and X	and X	
W.Va.	X	and X	and X	
Wis.	X	. . . . .	and X	
Wyo.	X	and X	and X	

1/ Service performed by an employee for the person or employing unit employing him.

2/ Service under any contract of hire, written or oral, express or implied.

3/ By regulation.

TABLE 103.--SIGNIFICANT MISCELLANEOUS EMPLOYMENT EXCLUSIONS 1/

State	Agents on commission: Insurance (46 States)	Agents on commission: Real estate (36 States)	Casual labor not in course of employer's business (32 States)	Part-time service for nonprofit organizations exempt from Federal income tax 2/ (34 States)	Student nurses and interns in employ of a hospital (31 States)	Students working for schools 3/ 9/ 10/ (48 States)	Domestic service in college club or fraternity (37 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ala.	X	. . . .	X	X	X	X	X
Alaska	X	X	X	X 2/	. . . . .	X	. . . . .
Ariz.	X	X	X	X	X	X	X
Ark.	X	X	X	X	X	X	. . . . .
Calif.	. . .	X	X	X	X	X	X
Colo.	X	X	X	. . . . .	. . . . .	X	X
Conn.	X	X	X	. . . . .	X	X	X
Del.	X	. . . .	. . . .	. . . . .	. . . . .	X	. . . . .
D.C.	X	. . . .	X	X	X	X 4/	. . . . .
Fla.	X	X	X	X	X	X	X
Ga.	X	X	X	X	X	X 4/	X
Hawaii	X	X	X	X	X	X	. . . . .
Idaho	X	. . . .	. . . .	. . . . .	X	X	X
Ill.	X	X	. . . .	X	X	. . . . .	X
Ind.	X	. . . .	X	X	X	X	X
Iowa	. . .	. . . .	. . . .	. . . . .	. . . . .	X	. . . . .
Kans.	X	. . . .	. . . .	X	. . . . .	X	X
Ky.	X	X 6/	X	X	X	X	X
La.	X	X	X	X	X	X 4/	X
Maine	X	X	. . . .	X	X	X	. . . . .
Md.	X	(7)	X	X	X	X	X
Mass.	X	X	X	X	X	X	X
Mich.	X	X	. . . .	X	. . . . .	X	X
Minn.	X	X	X	X	X	X	X
Miss.	X	. . . .	X	X	X	X	X
Mo.	X	. . . .	. . . .	. . . . .	. . . . .	X 5/	X
Mont.	X	X	. . . .	. . . . .	. . . . .	X	X
Nebr.	X	X	X	X	X	X	X
Nev.	. . .	X	. . . .	. . . . .	. . . . .	X	X
N.H.	X	X	X	X	. . . . .	X	X
N.J.	X	X	. . . .	. . . . .	X	X	. . . . .
N.Mex.	X	X	. . . .	. . . . .	. . . . .	X	X
N.Y.	. . .	. . . .	. . . .	. . . . .	. . . . .	X	. . . . .
N.C.	X	X	X	X	. . . . .	X	X
N.Dak.	X	X	X	X	X	X	X
Ohio	X	. . . .	X	X	X	X	X
Okla.	X	. . . .	. . . .	. . . . .	X	X	X
Oreg.	X	X	X	. . . . .	X	. . . . .	X
Pa.	X	X	X	X	X	X	X
P.R.	. . .	. . . .	X	. . . . .	. . . . .	X	. . . . .

(Table continued on next page)

TABLE 103.--SIGNIFICANT MISCELLANEOUS EMPLOYMENT EXCLUSIONS (CONTINUED)1/

State	Agents on commission		Casual labor not in course of employer's business (32 States)	Part-time service for nonprofit organizations exempt from Federal income tax2/ (34 States)	Student nurses and interns in employ of a hospital (31 States)	Students working for schools3/ 9/ 10/ (48 States)	Domestic service in college club or fraternity (37 States)
	Insurance (46 States)	Real estate (36 States)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
R.I.	X 8/	X	X	X	. . . . .	X	. . . . .
S.C.	X	X	X	X	X	X	X
S.Dak.	X	. . .	. . . . .	X	X	X 4/	X
Tenn.	X	X6/	. . . . .	. . . . .	. . . . .	X	. . . . .
Tex.	X	. . .	. . . . .	. . . . .	X	X	X
Utah	X	X	X	X	. . . . .	. . . . .	X
Vt.	X	X	X	X	. . . . .	X	. . . . .
Va.	X	X	X	X	X	X	X
Wash.	X	X	X	X	. . . . .	X 4/	X
W.Va.	X 8/	. . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Wis.	X	X	. . . . .	X	X	X	X
Wyo.	. . .	X	. . . . .	. . . . .	. . . . .	X	. . . . .

1/ For the major employment exclusions, see text, sec. 120.

2/ If the remuneration does not exceed $45 per calendar quarter (or is less than $50, in accordance with 1950 amendment to FUTA); in Alaska, $250.

3/ Service in employ of school, college, or university by a student regularly enrolled at such institution.

4/ In States noted, law contains broad exclusion of services performed by students in the employ of an organization exempt from Federal income tax. D.C. also has a provision excluding services performed by a student in the employ of his school, if such school is not exempt from Federal income tax and the remuneration does not exceed $45 in a calendar quarter (exclusive of room, board, and tuition). All but 2 of the States noted, Md. and Tex., have a provision which provides for the coverage of any excluded services which are subject to the FUTA. Exemption does not apply to students employed by a State university, Tex.

5/ If the remuneration (exclusive of room, board, and tuition) does not exceed $50 per calendar quarter.

6/ By court decision or attorney general's opinion.

7/ Applicable only while exempt from FUTA.

8/ Does not exclude such service if performed for a corporation or by industrial and debit insurance agents, R.I.; or if performed by industrial insurance agents, W.Va.

9/ All States except the following exclude service by the spouse of a student in the employ of the school: Alaska, Ark., Del., D.C., Fla., Hawaii, Idaho, Kans., La., Maine, Minn., N.Mex., N.Dak., Ohio, P.R., R.I., and Tex.

10/ All States except the following exclude students in work-study programs: D.C., Hawaii, Mo., R.I.; Maine excludes only elementary or secondary school students.

TABLE 104.--COVERAGE OF SERVICE FOR STATE AND LOCAL GOVERNMENTS[1]

State	Mandatory		Elective		Benefits financed by--		Financing benefits for State hospitals and colleges [8]	
	State	Local	State	Local	Contributions	Reimbursement	Choice	Mandatory Reimbursement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Ala.	. . .	(2)	. . .	. . .	. . . . .	X	. . .	X[7]
Alaska	. . .	. . .	X	X	X	. . . . .	X	. . . . .
Ariz.	. . .	. . .	X	X	(3)	(3)	X	. . . . .
Ark.	X	. . .	. . .	. . .	(3)	(3)	X	. . . . .
Calif.	(2)	(2)	X	X	(3)	(3)	X	. . . . .
Colo.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	X	. . . . .
Conn.	X	X	. . .	. . .	(3)	(3)	. . .	X
Del.	X	. . .	. . .	X	. . . . .	X	X	. . . . .
D.C.	. . .	. . .	X	. . .	. . . . .	X	. . .	X
Fla.	X		. . .	X	X	. . . . .	. . .	X
Ga.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	X	. . . . .
Hawaii	X	X	. . .	. . .	. . . . .	X	. . .	X
Idaho	X	(2)	. . .	. . .	. . . . .	X	. . .	X
Ill.	X	. . .	. . .	. . .	. . . . .	X	. . .	X[7]
Ind.	. . .	(2)	. . .	. . .	X	. . . . .	X	. . . . .
Iowa	X	. . .	. . .	. . .	. . . . .	X	X	. . . . .
Kans.	. . .	. . .	. . .	X	. . . . .	X	. . .	X
Ky.	. . .	. . .	X	X	X	. . . . .	X	. . . . .
La.	X	. . .	. . .	X	(3)	(3)	X	. . . . .
Maine	. . .	. . .	. . .	. . .	. . . . .	. . . . .	. . .	X
Md.	(2)	. . .	X	X	X	. . . . .	. . .	X
Mass.	. . .	. . .	(5)	. . .	. . . . .	X	. . .	X
Mich.	X	. . .	. . .	X	. . . . .	X	. . .	X
Minn.	X	X	. . .	. . .	. . . . .	X	. . .	X
Miss.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	X	. . . . .
Mo.[4]	. . .	. . .	X[6]	X[6]	X	. . . . .	X	. . . . .
Mont.	X[12]	. . .	. . .	. . .	. . . . .	X[10]	. . .	X
Nebr.	X[11]	. . .	. . .	X	. . . . .	X	. . .	X
Nev.	. . .	. . .	X	X	X	. . . . .	. . .	X
N.H.	X	. . .	. . .	X	. . . . .	X	. . .	X[9]
N.J.	(2)	. . .	. . .	. . .	X	. . . . .	. . .	X
N.Mex.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	No provision	
N.Y.	X	(2)	. . .	X	(3)	(3)	X	. . . . .
N.C.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	X	. . . . .
N.Dak.	. . .	. . .	X	X	. . . . .	X	X	. . . . .
Ohio	X	X	. . .	. . .	. . . . .	X	. . .	X
Okla.	X	. . .	. . .	. . .	. . . . .	X	. . .	X
Oreg.	X	X	. . .	. . .	(3)	(3)	. . .	X
Pa.	X	. . .	. . .	(5)	X	. . . . .		X
P.R.	(2)	(2)	. . .	. . .	X	. . . . .	X[7]	. . . . .
R.I.	X	. . .	. . .	X	. . . . .	X	. . .	X
S.C.	. . .	. . .	. . .	. . .	. . . . .	. . . . .	X	. . . . .

(Table continued on next page)

TABLE 104.--COVERAGE OF SERVICE FOR STATE AND LOCAL GOVERNMENTS[1] (CONTINUED)

State	Mandatory		Elective		Benefits financed by--		Financing benefits for State hospitals and colleges[8]	
	State	Local	State	Local	Contributions	Reimbursement	Choice	Mandatory Reimbursement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.Dak.	X	. .	. . .	X	. . . . .	X[3]	. . .	X
Tenn.	. . .	. .	X	X	X	. . . . .	X	. . . . .
Tex.	X	. .	. . .	X	. . . . .	X	. . .	X
Utah	X	. .	. . .	X	. . . . .	X	No provision	
Vt.	. . .	. .	. . .	X	. . . . .	X	X	. . . . .
Va.	. . .	. .	. . .	. .	. . . . .	. . . . .	. . .	X
Wash.	X	(2)	. . .	X	(3)	X[3]	. . .	X
W.Va.	. . .	. .	. . .	. .	. . . . .	. . . . .	X	. . . . .
Wis.	X	(2)	. . .	X	. . . . .	X	. . .	X
Wyo.	. . .	. .	X[6]	X[6]	X	. . . . .	X	. . . . .

[1] Including instrumentalities thereof. All States are required by Federal law to cover employees of State hospitals and institutions of higher education and to provide each subdivision with the right to elect coverage for employees of local hospitals and institutions of higher education.

[2] Limited to service for Walker County and its agencies or instrumentalities; this provision has not been implemented, Ala. Limited to service for public housing authorities and to services performed for the State by blind and physically handicapped workers in non-civil-service positions; mandatory coverage applicable only to employees with civil service status who receive notice of layoff on or after March 1, 1971, due to reduction in the budget, reduction in staff due to economy or from organizational changes or a reduced workload, Calif.; irrigation and soil conservation districts, Idaho; municipally-owned public utilities, Ind.; services for the Maryland Workshop for the Blind, Md.; services for South Jersey Port Commission, N.J.; custodial service for boards of education of cities of 400,000 or more, N.Y.; agencies or instrumentalities of P.R. or of its municipalities, operating as private enterprises, P.R.; public utility districts and public power authorities, Wash.; and first class cities, Wis.

[3] State and local have choice of financing, Ariz.; State has choice of financing, Ark.; contributions for State, reimbursement for local, Calif.; reimbursement for State and either contributions or reimbursement for local, Conn., N.Y., Oreg.; either contributions or reimbursement for State, reimbursement for local, La. Initial deposit required of 2.7% of the political subdivision's taxable wages during the 4 quarters preing the effective date of election, S.Dak. Contributions required from the Toll Bridge Authority, public utility and port districts and public power authorities; the State and all other political subdivisions electing coverage make payments in lieu of contributions, Wash.

[4] No election reported.

[5] Elective coverage limited to service for instrumentalities specifically authorized by legislation, Mass.; and municipal authorities, school cafeterias, and volunteer fire companies, Pa.

[6] By interpretation.

(Footnotes continued on next page)

(Footnotes for Table 104 continued)

7/ State and local governments must pay an estimated amount each quarter and at the end of the yr. either pay a balancing amount or receive a refund, Ala.; local governments may make payments in lieu of contributions on the same basis and in the same manner as amounts determined for ERs who are liable for payment of contributions, or they may elect reimbursement in the same manner as nonprofit organizations, Ill.; both the State and its political subdivisions are permitted a choice of financing benefits by either contributions or reimbursement, P.R.

8/ Political subdivisions covering their employees of hospitals and institutions of higher education, must reimburse the fund for benefits paid in all States except, Ala., Ill., and P.R., as indicated in footnote 7 above and in Conn. as indicated in footnote 3.

9/ Prior to January 1, 1975, choice of financing is available, N.H.

10/ Regulation provides for quarterly prepayment of a rate based on gross payroll.

11/ Beginning January 1, 1974, State departments, commissions and boards are required to elect coverage for not less than 2 CYs, Neb.

12/ Effective January 1, 1975, Mont.