

***Are retirees permanently barred from receiving unemployment compensation benefits?***

Unemployment compensation benefits are governed under 21 V.S.A. §§ 1301 *et seq.* As a general rule, these benefits are only available when an individual becomes involuntarily unemployed through no fault of his or her own. For instance, when an individual is laid off due to budgetary constraints or when his or her job is outsourced, he or she *may* be eligible for unemployment compensation. The underlying rationale provided by Vermont's Supreme Court is that such benefits are provided to "alleviate economic disability and distress which results from involuntary unemployment." *Riddel v. Department of Employment Security*, 140 Vt. 82 (1983). Therefore, because retirement is a manner of "voluntary unemployment," retirees would not be eligible for unemployment benefits upon retirement. However, this does not mean that a retiree is permanently barred from receiving such benefits.

For example, if an individual works for one employer, retires, then later obtains employment with another employer and is subsequently discharged, he or she could receive unemployment benefits if the statutory requirements are met. The catch, however, is that in such an instance, the individual's weekly unemployment benefits would be reduced (but not below zero) by the prorated weekly amount of his or her pension, after first deducting his or her percentage of contribution. 21 V.S.A. § 1344(a)(5)(E)(i).

To illustrate this point, an individual with a monthly pension of \$1,153.00, of which 50 percent was contributed by the employee, would see his or her unemployment benefit reduced by \$576.50 and then prorated weekly. The end result would be that the individual's unemployment compensation benefits would be reduced by \$133.00 a week. *Littlefield v. Department of Employment and Training*, 143 Vt. 495 (1983).

As a final note, it is important to keep in mind that the nature of unemployment compensation is extremely fact-specific, and as such, all inquiries concerning individual situations should be directed to VLCT's Director of Group Services David Sichel or Vermont's Department of Employment and Training.

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