



December 21, 2009

Questions & Answers

About Reauthorization of Unemployment Insurance Provisions in the American Recovery and Reinvestment Act

Introduction

On December 19, 2009, President Obama signed legislation (H.R. 3326) reauthorizing a number of important provisions in the American Recovery and Reinvestment Act (ARRA) that help unemployed workers. As a result, a number of key programs will be extended from December 31, 2009 through February 28, 2010.

This legislation is basically a stop-gap measure to continue the benefits put in place last February by the ARRA. Congress is expected to take up a longer period of reauthorization after the first of the year; a bill recently passed the House of Representatives continuing the program through June, 2010.

The following questions and answers are based upon our reading of the new law. We will update this guidance as new information becomes available or new questions come to our attention.

–PLEASE NOTE–

You can post comments about any of the unemployment insurance extension programs and implementation in your state on www.unemployedworkers.org.

1. Question: What are the provisions in the FY2010 Defense Appropriations bill that help unemployed workers?

Answer: The bill extends the life of a number of ARRA benefit programs that help unemployed workers from December 31, 2009 to February 28, 2010. These programs are:

- The Emergency Unemployment Compensation (EUC08) program
- Full federal funding of the Extended Benefits (EB) program

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- The Federal Additional Compensation (FAC) program which provides an additional \$25 in every unemployment insurance check (including regular state benefits as well as the federal extensions).

In addition, the new law extends a 65% health insurance subsidy for involuntarily unemployed workers to purchase their former employer's COBRA or other continuation coverage. The duration of the subsidy has been increased from 9 to 15 months and the deadline for signing up for the subsidy has been extended from December 31, 2009 to February 28, 2010. (NELP will be posting a separate fact sheet on the COBRA law changes very soon.)

2. Question: Does the new law create any new tiers of EUC08 benefits?

Answer: No. Before this law was signed, the EUC08 program (including the additional tiers enacted in November) was scheduled to start phasing out on December 31, 2009. The new law simply changed that date to February 28, 2010. It does not create any new Tiers of EUC benefits that did not exist already.

3. Question: What is the typical sequence of unemployment benefits now available to long term jobless workers?

Answer: All workers get regular state unemployment insurance benefits for up to 26 weeks. (Note: In states paying less than 26 weeks of UI benefits, unemployed workers get a proportionately smaller share of benefits under federal extension programs.) Generally, workers then draw Emergency Unemployment Compensation (EUC) followed by Extended Benefits (EB), where available. There are up to four "tiers" of Emergency Unemployment Compensation (EUC) extensions available depending upon state unemployment levels. Extended Benefits are not available in all states.

Here is a detailed explanation of how extensions work under current law:

Emergency Unemployment Compensation (EUC) Tiers I and II

Unemployed workers in all states qualify for benefits under EUC Tier I and Tier II. Tier I provides 20 weeks of benefits and Tier II provides 14 weeks for a total of 34 weeks. For 3 states with (3-month average) unemployment rates under 6.0 percent (NE, ND, and SD), this 34 weeks represents the total available extension weeks.

Emergency Unemployment Compensation (EUC) Tier III

In states with high unemployment (defined as 6.0 percent average 3-month total unemployment or higher), unemployed workers can become eligible for an additional 13 weeks of benefits known as EUC Tier III. Currently, there are 47 states (all except NE, ND, and SD), as well as the District of Columbia, Puerto Rico, and the Virgin Islands, in which unemployed workers can qualify for EUC Tier III.

Emergency Unemployment Compensation (EUC) Tier IV

In states with 3-month average total unemployment rates at or above 8.5 percent, unemployed workers can qualify for 6 additional weeks of extension benefits under EUC Tier IV. The 29 states, as well as the District of Columbia and Puerto Rico, currently paying Tier IV benefits are AL, AK, CT, DE, AZ, CA, FL, GA, ID, IL, IN, KY, ME, MA, MI, MS, MO, NV, NJ, NY, NC, OH, OR, PA, RI, SC, TN, WA, and WV.

Again, if unemployment rates rise or falls different EUC tiers will become available in states.

Extended Benefits (EB)

Finally, a separate program, called the Extended Benefits (EB) program is currently triggered on in 39 states. There are either 13 or 20 additional weeks of benefits, under the EB program depending upon which EB triggers are part of each state's UI law and each state's unemployment level. As of December 20, 2009, 30 states and the District of Columbia are paying 20 weeks of EB (AL, AK, AZ, CA, CT, DE, FL, GA, ID, IL, IN, KY, ME, MA, MI, MO, NV, NJ, NY, NC, OH, OR, PA, RI, SC, TN, TX, WA, WV, and WI). Seven states and Puerto Rico are providing 13 weeks of EB (CO, KS, NH, NM, MN, VT, and VA).

For updated lists of state-by-state information on total extensions (both EUC as well as EB) available under current law, please see our Extended Federal Benefits page on our website, unemployedworkers.org. Again, the number of weeks paid under EB in a state can change, or states might even stop paying EB if unemployment rates fall.

Unemployedworkers.org Extended Federal Benefits:

http://unemployedworkers.org/sites/unemployedworkers/index.php/resources/resource_entry/extended_benefits

4. Question: How does the new expiration date affect EUC benefit entitlements?

Answer: Under the new law, EUC will start phasing out on February 28, 2010, with final EUC payments taking place the week of May 31, 2010. However, there is a strong likelihood that Congress will continue the program again before the February deadline.

If Congress does not continue the program beyond the February 28, 2010, deadline, claimants cannot qualify for a new tier of EUC beyond whatever tier they are collecting under at that time.

So for example, a claimant who is collecting her 4th week of EUC Tier II benefits with the week ending February 27th will be able to collect the remaining 9 week balance on Tier II. However, unless the program is reauthorized again (and a new program expiration date established), she would not be able to move on to Tier III. Similarly, a claimant exhausting his basic 26-week UI entitlement after February 28, 2010, could not qualify for any EUC benefits.

5. Question: How does this legislation affect the EUC Tier IV program?

Answer: Before this bill was passed, it was technically impossible for many states to pay out the 6 weeks of EUC Tier IV benefits because workers had to first collect their 13 weeks of EUC Tier III and the program was scheduled to expire before that could happen. Now that the EUC program is authorized through February 28, 2010, unemployed workers who exhaust their 13 weeks of EUC Tier III before February 28, 2010 can qualify for the 6 weeks of EUC Tier IV in states with 3-month average unemployment rates at or above 8.5 %. (This includes claimants who started receiving EUC Tier III benefits immediately after the law creating that tier was enacted on November 8, 2009.)

6. Question: If I am unemployed as of the week ending February 28, 2010, I will still be collecting benefits under the EUC Tier 3 program. Does that mean I will not qualify for EUC Tier 4 benefits?

Answer: Yes. Under current law, you can continue filing for the balance of your entitlement under EUC Tier 3 at that point. Congress would have to further reauthorize the EUC program beyond February 28th in order for you to access Tier IV benefits.

7. Question: My state elected to keep workers who were collecting Extended Benefits (EB) on that program rather than move them on to EUC Tier III back in November. I am scheduled to exhaust EB in a couple of weeks and then move on to EUC Tier III. If I am still unemployed after that, will I be able to access the 6 weeks of Tier IV benefits?

Answer: Not unless the EUC program is reauthorized and the program expiration date is extended beyond February 28, 2010.

For more information on reauthorization of the Recovery Act and the UI extensions, please see www.unemployedworkers.org.

