

Overview of Unemployment Insurance Federal Extensions:

Federal Relief for Newly-Laid Off Workers to Expire Without Congressional Reauthorization

This factsheet provides a quick explanation of current federal unemployment insurance extensions and how insurance recipients will be affected if Congress allows these programs to expire on December 31, 2011.

Current Federal Unemployment Insurance Extensions

Once jobless individuals exhaust all regular state unemployment insurance (UI) (up to maximum 26 weeks in most states), Emergency Unemployment Compensation (EUC) provides additional weeks of insurance so long as jobless workers continue to file claims and meet requirements to search for and accept suitable work. EUC was first passed in June 2008 and has been amended by Congress [eight times](#) since then, with the effective date of the EUC program expiration now set for December 31, 2011.

Impact of Current Law on Jobless Workers Filing New State UI Claims Week of July 3, 2011

Individuals laid off and filing a new state UI claim starting the week of July 3, 2011 will generally start exhausting regular state unemployment insurance beginning in January 2012 (assuming they are eligible for 26 weeks, or about 6 months, of state UI, for which they file weekly). As a result of the timing of their job losses, most individuals newly laid off in July 2011 will not establish EUC claims prior to the last week of December 2011. This means that most workers filing new claims for state unemployment insurance beginning the first full week of July 2011 will not get extensions unless Congress passes laws later this year continuing the EUC program for workers exhausting state unemployment insurance in 2012.¹

In summary, workers getting laid off throughout the remainder of 2011 face having no benefit extensions when they exhaust state UI benefits in January 2012 or thereafter.

Impact of Current Law on Jobless Workers Receiving EUC in December 2011

Unemployed workers who started state UI claims prior to the first week of July 2011, including those currently on EUC who will not have drawn all their remaining weeks of EUC by the end of December

2011, will enter an EUC phase-out starting the first week of January 2012. During this phase-out period, jobless workers will finish their current tier of EUC benefits, but will not start their next EUC tier after the week including January 3, 2012. All EUC payments will stop after June 9, 2012, unless Congress takes further action to keep EUC alive. A complete rundown of the number of weeks of EUC in each program tier (as of July 3, 2011) and some examples of the impact of current law is found below.

□ ***EUC Tier I***

Tier I (one) pays benefits for a period that is the lesser of 80% of an individual's regular number of benefits weeks or 20 weeks. Tier I EUC is available in all states.

□ ***EUC Tier II***

EUC Tier II (two) pays benefits for a period that is the lesser of 54% of an individual's regular number of benefit weeks up to 14 additional weeks in all states.

□ ***EUC Tier III***

EUC Tier III (three) pays up to another 13 of additional weeks of extensions (or 50% of an individual's weeks of regular unemployment insurance if less than 13 weeks) in all states with a three-month average unemployment rate of 6.0 percent or higher. As a result of these rules, in July 2011 all states BUT Nebraska, North Dakota, South Dakota, Vermont, and Virgin Islands pay EUC Tier III.

□ ***EUC Tier IV***

EUC Tier IV (four) will pay up to another 6 weeks of extensions (or 24% of regular benefits weeks if less) in states with three-month average unemployment rates at or above 8.5 percent. As of July 3, 2011, 26 states were paying EUC Tier IV benefits, while 27 states were not paying Tier IV.²

Extended Benefits

After a jobless individual exhausts his or her EUC benefits, a permanently authorized Extended Benefits (EB) program provides additional weeks of unemployment insurance extensions, depending upon the unemployment level in each state and whether or not the state has adopted EB trigger options available under federal law. States pay up to 13 or 20 weeks under the EB program. Thirty-two states currently have some form of EB. However, in January 2012, most, if not all, states offering EB will trigger "off" and stop paying EB during January if Congress takes no action to change EB rules.

Total Benefit Extensions Available

Many observers assume that all jobless workers today can receive 99 weeks of unemployment benefits. While that is correct for many workers, it is not correct in a significant number of cases. For example, the unemployed in all states generally have available to them up to 26 weeks of state unemployment insurance and up to 34 weeks of EUC Tier I and II (in other words, 60 weeks total in all states). However, workers who do not qualify for 26 weeks of state unemployment insurance draw reduced weeks of EUC in each tier, as shown above.

In all but five states, EUC Tier III now pays another 13 weeks, amounting to up to 73 weeks of unemployment insurance in these states. In another 26 states, there is a further 6 weeks of Tier IV

EUC available, and some states are currently paying 13 or 20 weeks of EB. Not all states paying EB are also paying EUC Tier IV due to differing rules regarding how state's qualify for these extensions. Only in those states qualifying for both Tier IV EUC and 20 weeks of EB are there 99 weeks of unemployment insurance potentially available.

All told, less than half of the states – currently 22 – provide 99 weeks of unemployment benefits through a combination of the regular state program, the full allotment of EUC tiers, and the full number of weeks available through the EB program. Workers in these states who qualify for less than the full 26 weeks of state benefits will not receive all 99 weeks. Further, the remaining states provide less than 99 weeks of benefits.³

¹ The issue of new filers and whether they qualify for extensions is complicated by what is known as a waiting week, which all but 10 states have in their UI laws. In such states, after a worker files a UI claim and is deemed eligible for benefits, she must wait for a period of one week before her benefits are distributed, which technically begins her claim. As such, many workers who file UI claims during the week prior to that of July 3 – that is, starting the week of June 26 – and face a waiting week will not start receiving benefits until the week of July 3, and thus will not finish out the regular state program until after the EUC program is set to expire.

² The state counts total to 53 jurisdictions, which include all 50 states plus the District of Columbia, Puerto Rico, and the Virgin Islands.

³ *Source:* Extended Benefit Trigger Notice and Emergency Unemployment Compensation Trigger Notice, http://www.ows.doleta.gov/unemploy/claims_arch.asp and NELP research. The 23 states that currently provide 99 weeks of benefits, as of July 3, are: AL, CA, CO, CT, DC, FL, GA, ID, IL, IN, KY, MI, MO, NV, NJ, NC, OH, OR, RI, SC, TN, WA, and WV.