

# Emergency Unemployment Compensation/ Extended Benefits

May 2009

## **Brief Summary**

What happens if a laid-off worker exhausts his or her regular unemployment benefits? In Washington, there are two possible options for continuing to pay benefits:

- 1) The Emergency Unemployment Compensation Program was activated by Congress in June 2008, and then extended in November 2008 and in February 2009 (as part of the federal stimulus package approved by President Obama).
- 2) The Extended Benefits Program is triggered when certain unemployment conditions exist in the state. The US Department of Labor (USDOL) notified Employment Security in January 2009 that Washington meets those conditions, and the extended benefits became available as of February 15, 2009.

Following is more information about both benefits programs.

## **Emergency Unemployment Compensation Program**

The Emergency Unemployment Compensation (EUC) Program provides additional unemployment benefits to people who have exhausted their regular unemployment benefits and are not eligible for a new claim. The weekly benefit amount is the same as a claimant's regular unemployment benefits.

EUC benefits are funded 100 percent by the federal government. There is no effect on the balance of the state's unemployment trust fund or on employer tax rates. These benefits will not affect employers' experience rating or benefit charges, and reimbursable employers (e.g., government agencies, tribes and some non-profit organizations) will not be billed.

When Congress approved the program in June 2008, EUC provided up to 13 extra weeks of unemployment benefits in all states. Congress later expanded the program to provide up to seven additional weeks of benefits in all states, plus another 13 weeks of benefits in states whose unemployment rate reaches a specific 6 percent threshold (based on a three-month average of the state's seasonally adjusted unemployment rate). Washington reached the 6 percent trigger in November 2008, making its unemployed workers potentially eligible for up to a total of 33 weeks of EUC benefits. Presently, a claimant must exhaust regular benefits by December 19, 2009, with payouts to eligible claimants through May 29, 2010.

## ***EUC eligibility***

An unemployed worker qualifies for EUC if:

- His or her last claim was in Washington;
- That claim began on or after May 7, 2006;
- The benefit year on the claim has ended or has no balance left to pay out;
- The claimant meets base-year earning requirements; and
- The claimant is not eligible for a regular claim in any state, Puerto Rico, the Virgin Islands, the District of Columbia or through employment for a railroad.

While some individuals with old unemployment claims qualify for EUC, the benefits were payable beginning July 6, 2008.

---

### ***EUC application process***

In July 2008, Employment Security mailed paper applications to more than 120,000 potentially eligible claimants. Those who exhaust their regular benefits after that automatically receive an EUC application to complete.

People who do not automatically receive an EUC application in the mail can get one from a local WorkSource office or by calling the EUC Office (877-558-8509). An online system is not available for initial EUC applications, and Employment Security cannot accept faxed applications. However, people can file their ongoing, weekly claims for EUC on the Internet ([www.esd.wa.gov](http://www.esd.wa.gov)), by telephone (800-318-6022, option 1) or on paper. The work-search requirements and exceptions to work-search requirements are the same as for regular unemployment benefits.

### **Extended Benefits Program**

Extended Benefits (EB) can provide additional weeks of benefits to individuals who have received all of their regular unemployment benefits. Under state law, up to 13 weeks of EB are payable starting the third week after either of these unemployment-rate “triggers” is met.

- **Option #1: “total unemployment rate.”** If the seasonally adjusted total unemployment rate averages at least 6.5 percent over three months **and** is at least 10 percent higher than the same three-month average in either of the last two years; or
- **Option #2: “average insured-unemployment rate.”** For the current week and preceding 12 weeks, if at least 5 percent of workers who are receiving unemployment benefits **and** that rate is at least 20 percent higher than the 13-week average for the same period in both of the past two years.

In addition, if the seasonally adjusted, three-month average unemployment rate reaches 8 percent, up to seven additional weeks of EB are payable (referred to as “high EB”), for a total of 20 EB weeks.

The trigger levels are calculated and monitored by the U.S. Department of Labor (USDOL), which notifies the Governor and the Employment Security Department. In January 2009, Washington was notified that it met the conditions of Option #1, making up to 13 weeks of extended benefits available beginning Feb. 15. Washington triggered on to high EB effective May 3.

### ***Expansion of eligibility***

Under the federal American Recovery and Reinvestment Act of 2009, states are authorized to expand eligibility for EB to any individual who exhausts EUC while the state is in an EB period. Accordingly, the 2009 Legislature amended Washington State law to implement this option. When the Governor signs SSB 5963 into law, this provision will be effective immediately, and all eligible claimants will be notified of their change in eligibility. Eligibility will be retroactive to the week of February 22, 2009.

### ***Extended-benefits application process***

Employment Security automatically notifies all potentially eligible claimants about how to apply. Individuals who do not receive an EB application in the mail can get one from a local WorkSource office or by calling the EB Office (877-558-8509). An online system is not available for **initial EB** applications, and Employment Security cannot accept faxed applications. However, individuals can file their **ongoing, weekly** claims for extended benefits on the Internet ([www.esd.wa.gov](http://www.esd.wa.gov)), by telephone (800-318-6022, option 1) or on paper.

---

### ***Funding, payouts and eligibility for EB***

Funding for EB is usually a 50/50 split between the federal government and the state, so that half of each week's EB comes from the state's unemployment trust fund. But for 2009, the federal government is paying 100 percent of EB costs for contribution paying employers. The federal government will also pay 100 percent of the costs associated with those who are newly eligible, when SSB 5963 becomes law. Reimbursable employers are still charged 100 percent of the total EB costs. Businesses classified as non-profits under 501(c)(3) are charged 50 percent of the total EB costs.

The weekly EB amount is the same as the regular unemployment claim. Claimants receiving EB are required to make more rigorous work search efforts. They also must be willing to accept work that pays at least as much as their weekly unemployment benefit.

### **Total Unemployment Benefits Potentially Available**

Currently, most eligible unemployed workers in Washington could receive up to 79 weeks of unemployment benefits if the various economy-related requirements exist, as follows:

Benefit program	Time available: Up to...
Regular unemployment benefits	26 weeks*
Emergency unemployment compensation (all states)	20 weeks*
Emergency unemployment compensation (states with 6% three-month average unemployment rate)	13 weeks*
Extended benefits (first trigger: option #1 or #2 above)	13 weeks*
Additional extended benefits (8% three-month average unemployment rate)	7 weeks*
<b>POTENTIAL TOTAL</b>	<b>79 weeks**</b>

\* *In effect in Washington when fact sheet was published.*

\*\* *The numbers in the chart assume that a worker receives his/her maximum weekly benefit is not subject to a cap on base-period wages and is not qualified for a special program (e.g., Trade Act).*

Eligible workers who are accepted into the Training Benefits Program could receive up to an additional 26 weeks of unemployment benefits, which are paid after EUC but before EB.

**Contact: Neil Gorrell, Deputy Director, UI Division 360-902-9303**