

# Temporary Extension of Unemployment Benefits: Emergency Unemployment Compensation (EUC08)

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## Summary

In July 2008, a new temporary unemployment benefit, the Emergency Unemployment Compensation (EUC08) program, began. The EUC08 program was created by P.L. 110-252, and it was amended by P.L. 110-449, P.L. 111-5, and P.L. 111-92. This temporary unemployment insurance program provides up to 20 additional weeks of unemployment benefits to certain workers who have exhausted their rights to regular unemployment compensation (UC) benefits. A second tier of benefits provides up to an additional 14 weeks of benefits (for a total of 34 weeks of EUC08 benefits for all unemployed workers). A third tier is available in states with a total unemployment rate of at least 6% and provides up to an additional 13 weeks of EUC08 benefits (for a total of 47 weeks of EUC08 benefits). A fourth tier is available in states with a total unemployment rate of at least 8.5 % and provides up to an additional 6 weeks of EUC08 benefits (for a total of 53 weeks of EUC08 benefits). The EUC08 program expires at the end of December 2009.

All tiers of EUC08 benefits are temporary and expire on December 26, 2009. Those beneficiaries receiving tier I, II, III, or IV EUC08 benefits before December 26, 2009, are "grandfathered" for their remaining weeks of eligibility for that particular tier only. There will be no new entrants into any tier of the EUC08 program after December 26, 2009. That is, if an individual exhausts his or her regular unemployment compensation (UC) benefits after December 26, 2009, the individual would not be eligible for any EUC08 benefit. If an individual is eligible to continue to receive his or her remaining tier I benefit after December 26, 2009, that individual would not be entitled to tier II benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier II benefits were exhausted. Likewise, if an individual is eligible to continue to receive the tier III benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier III benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier III benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier III benefits were exhausted. Likewise, if an individual would not be entitled to tier IV benefits once those tier III benefits were exhausted. No EUC08 benefits—regardless of tier—are payable for any week after June 6, 2010.

There has been some confusion on what the Worker, Homeownership, and Business Assistance Act of 2009, P.L. 111-92, accomplished. P.L. 111-92 expanded benefits available in the EUC08 program. That is, it substantially increased the number of weeks of EUC08 benefits available to individuals; it did not extend the authorization of the program, which currently expires on December 26, 2009. Tier I benefits continue to be up to 20 weeks in duration and tier II benefits are now 14 weeks in duration (compared with 13 previously) and no longer are dependent on a state's unemployment rate. The new tier III benefit provides up to 13 weeks of EUC08 benefits to those workers in states with an average unemployment rate of 6% or higher. The new tier IV benefit may provide up to an additional 6 weeks of benefits if the state unemployment rate is at least 8.5%; however, at this time tier IV benefits are largely symbolic as few workers will qualify for tier IV before the EUC08 program authorization expires.

Congress is likely to address the expiring authorization of the EUC08 program (December 26, 2009) in the next few weeks. Bills that currently propose to extend the authorization of the EUC08 program through 2010 include H.R. 3404 and S. 1647.

This report will be updated to reflect current congressional action or programmatic changes. Individuals should contact their state's unemployment agency to obtain information on how to apply for and receive EUC08 benefits. The U.S. Department of Labor maintains a website with links to each state's agency at http://www.workforcesecurity.doleta.gov/map.asp.

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## **Emergency Unemployment Compensation**

On June 30, 2008, the President signed the Supplemental Appropriations Act of 2008 (P.L. 110-252) into law. Title IV of this act created a new temporary unemployment insurance program, the Emergency Unemployment Compensation (EUC08) program.<sup>1</sup> This is the eighth time Congress has created a federal temporary program that has extended unemployment compensation during an economic slowdown.<sup>2</sup> Until February 16, 2009, the EUC08 program was financed with funds within the Unemployment Trust Fund (UTF). However, with the passage of P.L. 111-5, the EUC08 benefit is now 100% federally funded from general funds within the U.S. Treasury. State unemployment compensation (UC) agencies will administer the EUC08 benefit along with regular UC benefits.

On November 21, 2008, the President signed P.L. 110-449, the Unemployment Compensation Extension Act of 2008 into law. P.L. 110-449 expanded the potential duration of the EUC08 benefit from up to 13 weeks of EUC08 to a maximum of 20 weeks. It also created a second tier of benefits for workers in states with high unemployment of up to a maximum of an additional 13 weeks of tier II EUC08 benefits (for up to a cumulative 33 weeks of EUC08 benefits).

The 2009 stimulus package, P.L. 111-5, known as the American Economic Recovery and Reinvestment Act, extended the EUC08 program through December 26, 2009. The 2009 stimulus package also contained a provision to create an additional \$25 weekly benefit for those receiving EUC08 (as well as those receiving regular unemployment compensation or extended benefits).

On November 6, 2009, the President signed P.L. 111-92 into law. There has been some confusion on what the Worker, Homeownership, and Business Assistance Act of 2009, P.L. 111-92, accomplished. P.L. 111-92 expanded benefits available in the EUC08 program. That is, it substantially increased the number of weeks of EUC08 benefits available to individuals; it did not extend the authorization of the program, which currently expires on December 26, 2009. Tier I benefits continue to be up to 20 weeks in duration and tier II benefits are now 14 weeks in duration (compared with 13 previously) and no longer are dependent on a state's unemployment rate. The new tier III benefit provides up to 13 weeks of EUC08 benefits to those workers in states with an average unemployment rate of 6% or higher. The new tier IV benefit may provide up to an additional 6 weeks of benefits if the state unemployment rate is at least 8.5%; however, at this time tier IV benefits are largely symbolic as few workers will qualify for tier IV before the EUC08 program authorization expires.

## How Does an Eligible Individual Receive the EUC08 Benefit?

An individual should contact his or her state's unemployment agency to obtain specific information on how to apply for and receive EUC08 benefits. The U.S. Department of Labor

<sup>&</sup>lt;sup>1</sup> For information on previous legislative attempts to extend or expand the EUC08 program or for information on the regular unemployment compensation program, see CRS Report RL33362, *Unemployment Insurance: Available Unemployment Benefits and Legislative Activity*, by Julie M. Whittaker and Alison M. Shelton.

<sup>&</sup>lt;sup>2</sup> The other programs became effective in 1958, 1961, 1972, 1975, 1982, 1991, and 2002. For details on these programs, see CRS Report RL34340, *Extending Unemployment Compensation Benefits During Recessions*, by Julie M. Whittaker.

maintains a website with links to each state's agency at http://www.workforcesecurity.doleta.gov/map.asp.

## How Much is an Eligible Individual's Weekly EUC08 Benefit?

The amount of the EUC08 benefit is the equivalent of the eligible individual's weekly regular UC benefit (plus the supplemental \$25 weekly benefit in 2009) and includes any applicable dependents' allowances.

## What is the Duration of an Eligible Individual's EUC08 Benefit?

#### Tier I

The maximum number of weeks for which an individual may be eligible under tier I EUC08 benefits is capped at 20 weeks. Some individuals may be eligible for fewer weeks of the tier I EUC08 benefits if their regular UC benefit entitlement was less than 26 weeks.

#### Tier II

Once an individual has exhausted tier I benefits, a second tier is available that provides up to 14 additional weeks of EUC08 benefits.

#### Tier III

Once an individual has exhausted tier II benefits, a third tier of EUC08 benefits may be available if the individual *worked* in a state with a three-month average total unemployment rate of 6% or higher. The maximum number of weeks of tier III benefits is capped at 13 additional weeks (for a total of 47 weeks of EUC08 benefits).

### Tier IV

Once an individual has exhausted tier III benefits, a fourth tier of EUC08 benefits may be available if the individual *worked* in a state with a three-month average unemployment rate of 8.5% or higher. The maximum number of weeks of tier IV benefits is capped at 6 weeks (for a total of 53 weeks of EUC08 benefits).

# How Is High Unemployment Defined for Purposes of Tier III and Tiers IV EUC08 Benefits?

**Tier III:** The individual must have *worked* in a state where either the three-month seasonally adjusted average state total unemployment rate (TUR) must be at least 6% or the insured unemployment rate (IUR) must be at least 4% in order to qualify for the additional 13 weeks of tier III EUC08 benefits.

**Tier IV:** The individual must have *worked* in a state where either the three-month seasonally adjusted average state total unemployment rate (TUR) is at least 8.5% or the insured

unemployment rate (IUR) is at least 6% in order to qualify for the additional 6 weeks of tier IV EUC08 benefits.

#### How to Find What Tier Is Available in a State?

Each Monday the Department of Labor issues its "Emergency Unemployment Compensation Trigger Notice" at http://atlas.doleta.gov/unemploy/claims\_arch.asp. If the status column for the tier within the notice is "on" for a particular state's row, that state is considered to be high unemployment for the purposes of that tier of EUC08 benefits.

## When Do the Expanded EUC08 Benefits Begin and End?

States were required to enter into an agreement with the U.S. Department of Labor (DOL) to provide the original EUC08 benefit to unemployed individuals in the state under the original EUC08. Once the agreement was signed, the EUC08 benefit began the following week (July 6, 2008).

Following the passage of P.L. 110-449, the additional EUC08 benefits became active on November 23, 2008. That is, for weeks of unemployment that occur on or after November 23, 2008, the 20 weeks for tier I and 13 additional weeks for tier II EUC08 benefits may be paid.

The passage of P.L. 111-92 will mean that the expanded EUC08 benefits of tiers II, III, and IV will begin on November 8, 2009. That is, for weeks of unemployment that occur on or after November 8, 2009, the 14 weeks (one additional week from previous law) of tier II, the 13 weeks of tier III, and the 6 weeks for tier IV EUC08 benefits may be paid.

The additional benefits created by H.R. 3548 will begin to be disbursed the week of November 15, 2009. There may be a delay in payments of approximately three weeks as states reprogram their benefit distribution systems.

### All Tiers Terminate December 26, 2009

All tiers of EUC08 benefits are temporary and expire on December 26, 2009. If an individual exhausts his or her *regular* unemployment compensation (UC) benefits after December 26, 2009,<sup>3</sup> the individual would not be eligible for any EUC08 benefit. That is, there are no new entrants into any tier of the EUC08 program after December 26, 2009.

Those unemployed individuals who had qualified for a tier I, II, III, or IV EUC08 benefit by December 26, 2009, would be "grandfathered" for their remaining weeks of eligibility *for only that specific tier*, and would continue to receive payments for the number of weeks they were deemed eligible. If an individual is eligible to continue to receive the tier I benefit after December 26, 2009, that individual would not be entitled to tier II benefits once those tier I benefit after December 26, 2009, that individual is eligible to continue to receive the tier II benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier II benefit after December 26, 2009, that individual would not be entitled to tier III benefits once those tier II benefit after II benefits were exhausted. Likewise, if an individual is eligible to continue to receive the tier III benefits once

<sup>&</sup>lt;sup>3</sup> December 27, 2009, for New York state.

those tier III benefits were exhausted. No EUC08 benefits—regardless of tier—are payable for any week after June 6, 2010.<sup>4</sup>

# Special Case: Exhausted Tier II EUC08 Benefits Before November 8, 2009

If an individual had exhausted the tier II EUC08 benefit before November 23, 2008, the individual may be eligible for up to a total of 14 weeks EUC08 benefits. Administratively this will be two separate entitlements: an individual will potentially be entitled to an additional 1 week of tier II EUC08 benefits and up to 13 weeks of tier III benefits. This is a result of P.L. 111-92, which expanded tier II from 13 to 14 weeks and dropped the state unemployment rate requirement. Once the new full entitlement (of up to a total of 14 weeks) of tier II EUC08 benefits has been completed, the individual will then be considered to have exhausted the newly expanded tier II EUC08 benefit. The individual may then be eligible for the additional 13 weeks of tier III benefits. (Thus, generally for individuals who had exhausted EUC08 benefits before November 8, 2009, the new entitlement for H.R. 3548 will be an additional 14 weeks of EUC08 benefits.)

P.L. 111-92 allows states to temporarily pay tier III benefits before tier II benefits if that will help the state disburse benefits to individuals faster.

#### No Retroactive Payments for Special Case

There is no payment for the weeks of unemployment during the period when the individual had exhausted the earlier EUC08 benefit and November 8, 2009. If that individual continues to be unemployed, the individual may be entitled to additional weeks of EUC benefits for the weeks of unemployment that occur on or after November 8, 2009.

## **Tier I EUC08 Eligibility Requirements**

#### First Claimed Regular UC Benefits On or After May 7, 2006

Applicants must have been eligible for regular UC benefits and have exhausted their rights to regular UC compensation with respect to a benefit year that expired during or after the week of May 6, 2007.<sup>5</sup> For most states, this would apply to individuals who had filed UC claims with an effective date of May 7, 2006, or later. For the state of New York this would apply to original claims filed with an effective date of May 1, 2006, or later.<sup>6</sup>

<sup>&</sup>lt;sup>4</sup> June 7, 2010, for New York state.

<sup>&</sup>lt;sup>5</sup> Arkansas has a unique approach to calculating a benefit year. In Arkansas, the benefit year begins the first day of the quarter in which an individual files a valid UC claim. Thus, it is unlikely that many individuals in Arkansas who filed UC claims before July 2006 would be eligible to receive EUC08 benefits.

<sup>&</sup>lt;sup>6</sup> Note the effective date is not necessarily the actual date when an individual filed for UC. A claim filed on May 10, 2006, may have had an earlier effective date if a state allows retroactive claims.

### Exhausted Regular UC Benefit

The right to regular UC benefits must be exhausted to be eligible for EUC08 benefits. Although federal laws and regulations provide broad guidelines on regular UC benefit coverage and eligibility determination, the specifics of regular UC benefits are determined by each state. This results in 53 different programs.<sup>7</sup> In particular, states determine UC benefit eligibility, amount, and duration through state laws and program regulations.

Generally, regular UC eligibility is based on attaining qualified wages and employment in covered work over a 12-month period (called a base period). Conditional on earnings amounts and number of quarters worked in the base period, an individual may qualify for as little as one week of UC benefits in some states and as many as 26 weeks in other states. Individuals with higher earnings and multiple quarters of work history will generally receive higher UC benefits for a longer period of time.<sup>8</sup>

#### "20 Weeks" of Full-Time Insured Employment or Equivalent

In addition to all state requirements for regular UC eligibility, the EUC08 program requires claimants to have at least 20 weeks of full-time insured employment or the equivalent in insured wages in their base period.

States use one, two, or three different methods for determining an "equivalent" to 20 weeks of full-time insured employment. These methods are described in both law (Section 202(a)(5) of the Extended Unemployment Compensation Act of 1970) and regulation (20 CFR 615.4(b)). In practice, states that apply any of these three requirements for receipt of regular UC benefits *and* do not allow for exceptions to those requirements do not need to establish that workers meet the 20 weeks of full-time insured employment requirement for the purposes of EUC. The three methods are as follows:

- earnings in the base period equal to at least 1.5 times the high-quarter wages; or
- earnings in the base period of at least 40 times the most recent weekly benefit amount, and if this alternative is adopted, it shall use the weekly benefit amount (including dependents' allowances) payable for a week of total unemployment (before any reduction because of earnings, pensions or other requirements) that applied to the most recent week of regular benefits; or
- earnings in the base period equal to at least 20 weeks of full-time insured employment, and if this alternative is adopted, the term "full-time" shall have the meaning provided by the state law.

The base period may be the regular base period or, if applicable in the state, the period may be the alternative base period or the extended base period if that determined the regular UC benefit.

<sup>&</sup>lt;sup>7</sup> The 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands provide UC benefits to their workers.

<sup>&</sup>lt;sup>8</sup> Individuals in the Massachusetts and Montana UC programs may have regular UC durations that exceed 26 weeks. Individuals who qualify for more than 26 weeks of regular UC benefits would be eligible for no more than 13 weeks of EUC08 benefits.

## **Tier II EUC08 Eligibility Requirements**

#### **Exhausted Tier I EUC08 Benefit**

The right to tier I EUC08 benefits must be exhausted to be eligible for the tier II EUC08 benefits.

## **Tier III EUC08 Eligibility Requirements**

#### **Exhausted Tier II EUC08 Benefit**

The right to tier II EUC08 benefits must be exhausted to be eligible for the tier III EUC08 benefits. States have the ability to waive this requirement and pay tier III before tier II if doing so would aid in prompt payment of EUC08 benefits.

# At or After the Period of Tier II EUC08 Exhaustion, the State Must Currently Have at Least 6% Unemployment Rate

The individual must have worked in a state with unemployment currently of at least 6% or an insured unemployment rate (IUR) of at least 4%. If the state's unemployment rate meets one of these conditions, a (still) unemployed tier II benefit exhaustee would be eligible for tier III benefits at that time.

Each Monday the Department of Labor issues its "Emergency Unemployment Compensation Trigger Notice" at http://atlas.doleta.gov/unemploy/claims\_arch.asp. If the status column for tier III within the notice is "on" for a particular state's row, that state is considered to be high unemployment for the purposes of EUC08 tier III benefits.

#### **No Retroactive Payments**

No retroactive EUC08 payments exist for the period during which the individual had exhausted tier II benefits but the state did not meet the high unemployment criteria. However, once a state reaches the 6.0% level, a still unemployed tier II exhaustee would be able to receive tier III benefits.

## **Tier IV EUC08 Eligibility Requirements**

### Exhausted Tier I, Tier II, and Tier III EUC08 Benefits

The right to tier I, tier II, and tier III EUC08 benefits must be exhausted to be eligible for the tier IV EUC08 benefits.

## At or After the Period of Tier III EUC08 Exhaustion, the State Must Currently Have at Least 8.5% Unemployment Rate

The individual must have worked in a state with unemployment currently of at least 8.5% or an insured unemployment rate (IUR) of at least 5%. If the state's unemployment rate meets one of these conditions, a (still) unemployed tier III benefit exhaustee would be eligible for tier IV benefits at that time.

Each Monday the Department of Labor issues its "Emergency Unemployment Compensation Trigger Notice" at http://atlas.doleta.gov/unemploy/claims\_arch.asp. If the status column for tier IV benefits within the notice is "on" for a particular state's row, that state is considered to be high unemployment for the purposes of EUC08.

#### **No Retroactive Payments**

No retroactive EUC08 payments exist for the period during which the individual had exhausted tier IV benefits but the state did not meet the tier IV high unemployment criteria. However, once a state reaches the 8.5% level, a still unemployed tier III exhaustee would be able to receive benefits.

#### Technical Note: Few Will Receive Tier IV Benefit

At this writing, the EUC08 program will terminate at the end of December, as a result there are no more than 7 weeks in which a worker may become entitled to a new tier of EUC08 benefits. Each specific EUC08 tier must be exhausted before the unemployed worker is entitled to receive the next tier of benefits. Since all current EUC exhaustees will be entitled to up to 14 additional weeks of EUC08 benefits, most will exhaust those new tier II and/or tier III entitlements after December 26, 2009, when the program is set to expire. A few unemployed workers in states where the weeks of entitlement to UC benefits is variable may actually draw from the tier IV benefits.<sup>9</sup>

## The Extended Benefit (EB) Program

The EUC08 program should not be confused with the similarly named extended benefit (EB) program.<sup>10</sup> The EUC08 program is temporary and tiers I and II apply to all states (tiers III and IV availability depends on unemployment conditions within each state). The EB program is permanently authorized and applies only to certain states on the basis of state unemployment conditions as specified in law.

Each Monday the Department of Labor issues its "Extended Benefit Trigger Notice" at http://atlas.doleta.gov/unemploy/claims\_arch.asp. If the "available weeks" column within the notice has either 13 or 20 for a particular state's row, that extended benefit program is active in that state with a potential of up to 13 or 20 weeks of EB for its unemployed workers.

When economic conditions in a state no longer meet the criteria for extended benefits, the EB program becomes inactive. There is no "grandfathering" of the EB benefit. When a state EB program becomes inactive, payment of all EB benefits stops immediately.

<sup>&</sup>lt;sup>9</sup> All EUC08 entitlements are prorated based upon the original regular UC weeks of benefits. Thus, those workers who were entitled to less than 13 weeks of regular UC would receive less than 10 weeks of tier I EUC08 benefits, less than 7 weeks of tier II, less than 6.5 weeks of tier III, and less than 6 weeks of tier IV EUC08 benefits. These worker may then have exhausted tier III before December 26, 2009, and thus would be entitled to their (prorated) tier IV benefit.

<sup>&</sup>lt;sup>10</sup> For a detailed description of the EB program, see CRS Report RL33362, *Unemployment Insurance: Available Unemployment Benefits and Legislative Activity*, by Julie M. Whittaker and Alison M. Shelton.

## EB Program is Permanently Authorized

The EB program is permanently authorized by the Federal-State Extended Unemployment Compensation Act of 1970 (EUCA), P.L. 91-373 (26 U.S.C. 3304, note). The EB program provides for additional weeks of unemployment benefits, up to a maximum of 13 weeks during periods of high unemployment and up to a maximum of 20 weeks in certain states with extremely high unemployment.

## **EB** Program Financing

Under EUCA, EB benefits are funded half (50%) by the federal government through an account for that purpose in the Unemployment Trust Fund (UTF). States fund half (50%) through their state accounts in the UTF.<sup>11</sup>

The American Economic Recovery and Investment Act of 2009, P.L. 111-5, provides for 100% federal financing of the EB program though December 31, 2009 (through the Extended Unemployment Compensation Account of the Unemployment Trust Fund). For individuals who began to receive extended benefits before December 31, 2009, 100% federal financing would continue for the length of receipt of the extended benefits, even if these benefits continue to be paid in 2010.<sup>12</sup> For extended benefit payments that start on or after January 1, 2010, benefits would again be funded 50% by the states and 50% by the federal government.

## **EUC08 and EB Interactions**

### Which Benefit is Paid First?

The EUC08 program allows states to determine which benefit is paid first. Thus, states may choose to pay EUC08 before EB or vice versa. Alaska is the only state that has opted to pay EB before EUC08 benefits.

States balance the decision of which benefit to pay first by examining the potential cost savings to the state with the potential loss of unemployment benefits for unemployed individuals in the state. It may be less costly for the state to choose to pay for the EUC08 benefit first as the EUC08 benefit is 100% federally financed whereas the EB benefit is 100% federally financed in 2009 only. Furthermore, the 100% EB financing does not include state and local workers whereas they are 100% federally financed in the EUC08 program.<sup>13</sup> However, if the state opts to pay EUC08

<sup>&</sup>lt;sup>11</sup> States that do not require a one-week UC waiting period, or have an exception for any reason to the waiting period, pay 100% of the first week of EB. Twenty-five states, including Rhode Island and North Carolina, do not require a one-week UC waiting period in all cases. P.L. 110-449 temporarily suspended the waiting week requirement for federal funding, and the American Economic Recovery and Investment Act of 2009 would continue this suspension until the week ending before May 31, 2010.

<sup>&</sup>lt;sup>12</sup> For more information on temporary changes to the EB program under the American Economic Recovery and Investment Act of 2009, see CRS Report RL33362, *Unemployment Insurance: Available Unemployment Benefits and Legislative Activity*.

<sup>&</sup>lt;sup>13</sup> Some recipients may find jobs before becoming eligible for EB. In addition, the state may trigger off of the EB program before some recipients exhaust EUC08.

first, individuals in the state might receive less in total unemployment benefits if the EB program triggers off before the individuals exhaust their EUC08 benefits.

An exception to the payment order may be made if an individual claimed EB for at least one week of unemployment after the exhaustion of EUC08 prior to the enactment P.L. 111-92. The amendments contained within P.L. 111-92 give states the option of paying EB to an otherwise eligible individual prior to the payment of any EUC08 benefits that are payable on account of the Worker Assistance Act amendments to the EUC08 program (or vice versa in the case of Alaska).

## Legislation in the 111<sup>th</sup> Congress

The American Economic Recovery and Reinvestment Act (P.L. 111-5) extends the EUC08 program through December 26, 2009. The stimulus bill also provides for supplementary payments of \$25 per week to all forms of unemployment compensation, including the EUC08 benefit, through the end of 2009. Until February 16, 2009, the EUC08 program was financed with funds within the Unemployment Trust Fund (UTF). However, with the passage of P.L. 111-5, the EUC08 benefit is now 100% federally funded from general funds within the U.S. Treasury. The \$25 weekly supplemental benefit is also funded from the general funds of the U.S. Treasury.

H.R. 291, the Unemployment Supplemental Assistance Act (McDermott), would provide a supplemental weekly payment of \$50 to all forms of unemployment compensation, including EUC08 through the end of 2009.

#### Proposals to Expand or Extend the EUC08 Benefit

Congress is likely to address the expiring authorization of the EUC08 program (December 26, 2009) in the next few weeks. Bills that currently propose to extend the authorization of the EUC08 program through 2010 include H.R. 3404 and S. 1647.

On September 22, 2009, the House of Representatives passed H.R. 3548. The bill would have created a third tier of EUC08 benefits. Workers in states with a total unemployment rate of at least 8.5% would have been eligible for up to an additional 13 weeks of EUC08 benefits, for a total of 46 weeks of EUC08 benefits. The bill also contained provisions that would authorize an additional year of the 0.2% FUTA surtax (approximately \$14 per worker, paid by employers); would have required employers to report the first day of earnings of a new worker to the National Directory of New Hires; and would have amended the Internal Revenue Code to allow states to reduce the federal income tax overpayment for individuals who have been found to owe a covered UC debt regardless of whether the state recovering the funds and the state in which the individual lives is one in the same.

The Senate amended H.R. 3548. The amendment created an additional tier of up to 14 weeks of benefits, without regard to state unemployment rates. The amendment also created a fourth tier of up to an additional 6 weeks of EUC08 benefits in states with unemployment rates of at least 8.5%. Other measures included in the proposal concerned eligibility for food stamp payments (benefit eligibility and determination would not consider the \$25 additional federal unemployment insurance system) would receive approximately the same increase in potential benefits; and the authorization of the 0.2% FUTA surtax is extended through 2010 and the first six months of calendar year 2011.

The House voted on and passed the Senate version of H.R. 3548 on November 5, 2009. The President signed the bill into law on November 6, 2009.

Several other bills would extend or expand the EUC08 program. S. 1699, introduced on September 23, 2009, is similar to the original version of H.R. 3548. H.R. 3404 and S. 1647 would both extend the EUC08 program through 2010. They also would create a third tier of benefits, providing up to an additional 13 weeks of EUC08 benefits for states with high unemployment rates (9% and 8.5%, respectively).

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