

Extended Benefits: Duration & Financial Responsibility

Questions Regarding Duration of Extended Benefits

Many employers continue to ask questions regarding the current duration of extended unemployment benefits and are unsure about who is paying for these benefits. The following recaps the types of extended benefits available to individuals and identifies who is responsible for paying for each type of benefit.

Emergency Unemployment Compensation (EUC) Extended Benefits

Based on several factors, individuals may currently receive up to 53 weeks of EUC benefits, once they have exhausted the 26 weeks of benefits available to them through their regular state unemployment insurance program.

Originally legislated in 2008, availability of these benefits was extended in February of 2009 as part of the American Recovery and Reinvestment Act of 2009. They were extended once again when President Obama signed the Unemployment Reauthorization and Job Creation Act of 2010 on December 17, 2010.

Under the most recent provisions, the deadline for individuals to apply for EUC benefit eligibility is now the state benefit week ending prior to January 3, 2012. No EUC payments will be made for any weeks ending after June 9, 2012 without another extension.

The good news for employers is these benefits are 100% funded by the federal government. No employers are being asked to pick up any portion of the cost related to these benefits.

State Extended Benefits

Based on varying state economic factors, individuals who exhaust both their regular state benefits and their federally funded EUC benefits may be eligible for up to 20 weeks of State Extended Benefits.

The legislation signed by President Obama in December also extended the federal funding of these state extended benefits to include benefit weeks ending prior to January 4, 2012. In addition, states were granted the individual authority to further extend the 100% federal reimbursement of these benefits through benefit weeks ending prior to June 11, 2012.

This applies to both taxpaying and reimbursing employers, with the exception of government entities and Indian tribes.

Summary

Individuals may currently be eligible to receive up to a maximum of 99 weeks of unemployment compensation benefits (26 weeks of regular benefits, 53 weeks of EUC benefits, and 20 weeks of state extended benefits).

For those who have exhausted all potential 99 weeks of benefits, there are no additional benefits available. However, as the number of individuals falling into this category continues to grow, there may be pressure to enact additional legislation extending the time frame for receiving these benefits.

TALX's experience, expertise, and proven results help employers navigate the uncertainty of the unemployment insurance system. For additional information regarding this article or other proactive unemployment cost management techniques, please contact Pete Krieshok at 314-214-7325, or by e-mail at pkrieshok@talx.com or visit our corporate blog at <http://blog.talx.com>.