

New Federal Extension of Unemployment Compensation Is Signed into Law

President Bush signed, on November 11, the Unemployment Compensation Act of 2008 (H.R. 6867), which increases the weeks of benefits available to workers who run out of their state unemployment insurance benefits. The new program expands on the 13 weeks of benefits previously provided by the Emergency Unemployment Compensation (EUC) program that began in July. The new law starts to provide benefits for weeks of unemployment that began as of Sunday, November 23. However, there may be delays by states in processing the new EUC benefits.

Eligibility for Additional Weeks of EUC

Under the original EUC program, workers who ran out of their regular state unemployment benefits (26 weeks in Illinois) and were still looking for work could collect up to 13 weeks of federal jobless benefits (or half of their state benefits, whichever is less). Under the new law, workers in all states are now entitled to collect up to 20 weeks of EUC benefits (or 80 percent of their state benefits, whichever is less), 7 weeks more than provided under the original EUC program. Workers in states with high unemployment are entitled to an additional 13 weeks of EUC (or half their state benefits, whichever is less). In total, workers in high-unemployment states are thus entitled to 33 weeks of EUC.

The law defines high unemployment as any state with an unemployment rate of 6 percent or higher. However, the 6 percent figure is an average of the rate over the latest three-month period; it is not enough that the rate is above 6 percent in any given month. As of November 23, Illinois is among 20 states (and the District of Columbia) qualifying as high-unemployment states. Thus most Illinois workers who already exhausted their 13 weeks of EUC and are still unemployed and still looking for work should receive an additional 20 weeks of EUC. However, since the high-unemployment-rate designation will change as the state unemployment rate goes up and down over the next year, the letters of eligibility sent out by the Illinois Department of Employment Security (IDES) and its website will tell workers that they are entitled to 7 additional weeks, not 20.

Applying for Benefits in Illinois

IDES has begun to send out letters to workers who have exhausted the 13 weeks of EUC, for weeks beginning on or after November 23. The letters explain when workers need to certify to establish their eligibility. December 8 is the earliest possible certification day for those workers. Those who ran out of their original EUC benefits are not allowed to collect the additional weeks of EUC before the new law took effect. However, as long as they are still unemployed and still looking for work, they may collect their full weeks of additional EUC going forward, starting November 23. Workers who are currently collecting EUC benefits under the original 13-week program are also eligible for the extra benefits under the Unemployment Compensation Act.

Payments will be made by debit card, unless the direct-deposit option is selected. For most cases, when regular state benefits run out, an extended benefits claim will be automatically established.

Once this claim is established, the worker will receive a “findings” letter indicating eligibility for the extension. In some cases workers will receive a notice to report to a local office to determine entitlement to the EUC benefits. IDES wants people to wait until they receive this letter before they report to their local office.

The EUC program ends on March 28, 2009. No one who runs out of regular state unemployment benefits after March 2009 will qualify for the program. However, anyone who runs out of state unemployment benefits before that date will qualify for their full 20 or 33 weeks of EUC benefits. All benefits under the program run out on August 27, 2009. Because the unemployment situation is worsening, Congress and the President are likely to extend the benefits beyond the March 2009 deadline.

For more information on Emergency Unemployment Compensation in Illinois, please go to <http://www.ides.state.il.us/>. Or contact [Wendy Pollack](mailto:Wendy.Pollack@povertylaw.org), director, Women’s Law and Policy Project, Shriver Center, at 312.263.3830 ext. 238 or wendypollack@povertylaw.org.

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