



Emergency Unemployment Compensation (EUC08): Current Status of Benefits

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Summary

The temporary Emergency Unemployment Compensation (EUC08) program may provide additional federal unemployment insurance benefits to eligible individuals who have exhausted all available benefits from their state Unemployment Compensation (UC) programs. Congress created the EUC08 program in 2008 and has amended the original, authorizing law (P.L. 110-252) 10 times.

The most recent extension of EUC08 in P.L. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012, authorizes EUC08 benefits through the end of calendar year 2012. P.L. 112-96 also alters the structure and potential availability of EUC08 benefits in states. Under P.L. 112-96, the potential duration of EUC08 benefits available to eligible individuals depends on state unemployment rates as well as the calendar date.

The P.L. 112-96 extension of the EUC08 program does not allow any individual to receive more than 99 weeks of total unemployment insurance (i.e., total weeks of benefits from the three currently authorized programs: regular UC plus EUC08 plus EB). No additional benefits were created for those who had exhausted all unemployment insurance benefits (e.g., “99ers”).

However, from February 19 through May 26, 2012, up to 10 additional weeks of tier IV EUC08 benefits may be available (for a total of 16 weeks) if there is no active EB program in the state at the time when an individual enters tier IV and the three-month average state unemployment rate is at least 8.5%. Eligibility for these additional weeks is subject to the requirement that no individual receives more than a 99 weeks total of unemployment insurance. A figure providing the sequence, availability, and total maximum of all unemployment benefits (UC, EUC08, and EB) is provided in the **Appendix**.

This report summarizes the structure of EUC08 benefits available through December 29, 2012 (December 30, 2012 for New York). It also provides the legislative history of the EUC08 program.

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Introduction

Various benefits may be available to unemployed workers to provide income support. When eligible workers lose their jobs, the Unemployment Compensation (UC) program may provide up to 26 weeks of income support through the payment of regular UC benefits. Unemployment benefits may be extended for up to 63 weeks by the temporarily authorized Emergency Unemployment Compensation (EUC08) program. Unemployment benefits may be extended for up to a further 13 or 20 weeks by the permanent Extended Benefit (EB) program under certain state economic conditions. Current law does not allow an individual to receive more than 99 weeks of benefits (UC plus EB plus EUC08).

This report provides a detailed legislative history as well as the current structure of the EUC08 program. For information on current legislative attempts to alter the EUC08 program, see CRS Report R41662, *Unemployment Insurance: Legislative Issues in the 112th Congress*, by Julie M. Whittaker and Katelin P. Isaacs. For information on the regular unemployment compensation program, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*, by Katelin P. Isaacs and Julie M. Whittaker.

Emergency Unemployment Compensation

On June 30, 2008, President George W. Bush 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.¹ This is the eighth time Congress has created a federal temporary program that has extended unemployment compensation during an economic slowdown.² State UC agencies administer the EUC08 benefit along with regular UC benefits and the permanently authorized EB program. The authorization for this program expires the week ending on or before January 2, 2013. The last day of EUC08 availability is December 29, 2012 (December 30, 2012 for New York).

The EUC08 program has been amended 10 times by P.L. 110-449, P.L. 111-5, P.L. 111-92, P.L. 111-118, P.L. 111-144, P.L. 111-157, P.L. 111-205, P.L. 111-312, P.L. 112-78, and P.L. 112-96. This temporary unemployment insurance program provides additional weeks of unemployment benefits to certain workers who have exhausted their rights to regular UC benefits through a sequential array of four tiers, each of which is an individual entitlement.

On February 22, 2012, President Barack Obama signed P.L. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012, into law. P.L. 112-96 extends the authorization for EUC08 through the week ending on or before January 2, 2013. It also substantially alters the structure of the program, creating three distinct EUC08 benefit time periods during the remainder of 2012: March through May 2012, June through August 2012, and September through December 2012. EUC08

¹ For information on legislative attempts to extend or expand the EUC08 program, see CRS Report R41662, *Unemployment Insurance: Legislative Issues in the 112th Congress*, by Julie M. Whittaker and Katelin P. Isaacs. For information on the regular unemployment compensation program, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*, by Katelin P. Isaacs and Julie M. Whittaker.

² 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 and Katelin P. Isaacs.

tier duration and availability in states vary across each of these time periods. In addition, EUC08 tier requirements that establish particular required unemployment rate thresholds in order that the state have an active tier II, tier III, and tier IV also change.

The P.L. 112-96 extension of the EUC08 program does not allow any individual to receive more than 99 weeks of total unemployment insurance (i.e., total weeks of benefits from the three currently authorized programs: regular UC plus EUC08 plus EB). No additional benefits were created for those who had exhausted all unemployment insurance benefits (e.g., “99ers”). However, from February 19 through May 26, 2012, up to 10 additional weeks of tier IV EUC08 benefits may be available (for a total of 16 weeks) if there is no active EB program in the state at the time when an individual enters tier IV and the three-month average state unemployment rate is at least 8.5%. Eligibility for these additional weeks is subject to the requirement that no individual receives more than a 99 weeks total of unemployment insurance. A figure providing the sequence, availability, and total maximum of all unemployment benefits (UC, EUC08, and EB) is provided in the **Appendix**.

Table 1 provides a summary of how the EUC08 program has changed since it was first authorized in 2008. Each row provides the public law that amended the original EUC08 program, the corresponding EUC08 benefits available under that law, and the effective dates authorized by that law.

Table 1. Summary of Emergency Unemployment Compensation (EUC08) Program: Public Laws, Benefits, Effective Dates, and Financing

Public Law	Benefit Tiers and Availability	Dates in Effect and Financing
Supplemental Appropriations Act of 2008, Title IV Emergency Unemployment Compensation (P.L. 110-252), signed June 30, 2008	13 weeks (all states)	7/6/2008-3/28/2009 (No benefits past 7/4/2009) Funded by federal Emergency Unemployment Compensation Account (EUCA) funds within Unemployment Trust Fund (UTF).
Unemployment Compensation Extension Act of 2008 (P.L. 110-449), signed November 21, 2008	Tier I: 20 weeks (all states) Tier II: 13 additional weeks (33 weeks total) if state total unemployment rate (TUR) is 6% or higher or insured unemployment rate (IUR) is 4% or higher.	11/23/2008-3/28/2009 (No benefits past 8/29/2009) Funded by federal EUCA funds within UTF.
American Recovery and Reinvestment Act of 2009 (P.L. 111-5), signed February 17, 2009	Same as above. [Act included several other interventions that augmented UC benefits: the Federal Additional Compensation (FAC) benefit of \$25/week; at state option, EB benefit year could be calculated based upon exhausting EUC08 benefits; 100% federal financing of EB program; and the first \$2,400 of unemployment benefits were excluded from income tax in 2009.]	2/22/2009-12/26/2009 (No benefits past 6/5/2010) Funded by general fund of the Treasury. (Additionally, the FAC program is funded by the general fund of the Treasury. The 100% financing of the EB program is funded by the EUCA funds within the UTF.)

Public Law	Benefit Tiers and Availability	Dates in Effect and Financing
Worker, Homeowner, and Business Assistance Act of 2009 (P.L. 111-92), signed November 6, 2009	Tier I: 20 weeks (all states) Tier II: 14 additional weeks (34 weeks total, all states) Tier III: 13 additional weeks if state TUR is 6% or higher or IUR is 4% or higher (47 weeks total) Tier IV: 6 additional weeks if state TUR is 8.5% or higher or IUR is 6% or higher (53 weeks total) [Act included 1.5 year extension of the Federal Unemployment Tax Act (FUTA) surtax.]	11/8/2009-12/26/2009 (No benefits past 6/5/2010) Funded by general fund of the Treasury. Extended FUTA surtax through June 2011. The estimated revenues collected from FUTA surtax provision were \$2.578 billion and offset the estimated direct spending costs for unemployment insurance provisions of \$2.42 billion.
Department of Defense Appropriations Act, 2010 (P.L. 111-118), signed December 19, 2009	Same as above.	12/27/2009-2/27/2010 (No benefits past 7/31/2010) Funded by general fund of the Treasury.
Temporary Extension Act of 2010 (P.L. 111-144), signed March 2, 2010	Same as above.	2/28/2010-4/3/2010 (No benefits past 9/4/2010) Funded by general fund of the Treasury.
The Continuing Extension Act of 2010 (P.L. 111-157), signed April 15, 2010	Same as above.	4/4/2010 (retroactive)-5/29/2010 (No benefits past 11/6/2010) Funded by general fund of the Treasury.
The Unemployment Compensation Extension Act of 2010 (P.L. 111-205), signed July 22, 2010	Same as above. [Note this did not include an extension of the Federal Additional Compensation (FAC) benefit of \$25/week for those receiving UC, EUC08, EB, Disaster Unemployment Assistance, or Trade Adjustment Assistance. The FAC expired on June 2, 2010.]	5/30/2010 (retroactive)-11/27/2010 (No benefits past 4/30/2011) Funded by general fund of the Treasury.
The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312), signed December 17, 2010	Same as above.	11/28/2010 (retroactive)-12/31/2011 (No benefits past 6/9/2012) Funded by general fund of the Treasury.
The Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), signed December 23, 2011	Same as above.	1/1/2012-2/18/2012 (No benefits past 8/11/2012) Funded by general fund of the Treasury.

Public Law	Benefit Tiers and Availability	Dates in Effect and Financing
Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), signed February 22, 2012	Tier I: 20 weeks (all states) Tier II: 14 additional weeks (34 weeks total, all states) Tier III: 13 additional weeks if state TUR is 6% or higher or IUR is 4% or higher (47 weeks total) Tier IV: 6 additional weeks if state TUR is 8.5% or higher or IUR is 6% or higher (53 weeks total); 16 weeks if no EB and all other conditions met (63 weeks total)	2/19/2012-5/26/2012 Funded by general fund of the Treasury.
Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), signed February 22, 2012	Tier I: 20 weeks (all states) Tier II: 14 additional weeks if TUR is 6% or higher (34 weeks total, all states) Tier III: 13 additional weeks if state TUR is 7% or higher or IUR is 4% or higher (47 weeks total) Tier IV: 6 additional weeks if state TUR is 9.0% or higher or IUR is 6% or higher (53 weeks total)	5/27/2012-9/1/2012 Funded by general fund of the Treasury.
Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), signed February 22, 2012	Tier I: 14 weeks (all states) Tier II: 14 additional weeks if TUR is 6% or higher (28 weeks total) Tier III: 9 additional weeks if state TUR is 7% or higher or IUR is 4% or higher (37 weeks total) Tier IV: 10 additional weeks if state TUR is 9.0% or higher or IUR is 6%	9/2/2012-12/29/2012 (No benefits past 12/29/2012) Funded by general fund of the Treasury.

Source: Congressional Research Service, based on statutory provisions identified in the table.

Note: Because New York defines a week as a period from Monday through Sunday, the effective dates for New York are one day later. For example, the EUC08 program first became active in all states except New York on July 6, 2008. The EUC08 program first became active in New York on July 7, 2008.

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 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 and includes any applicable dependents' allowances.

The Potential Duration of an Eligible Individual's EUC08 Benefit Depends Upon State Unemployment Rates and Calendar Date

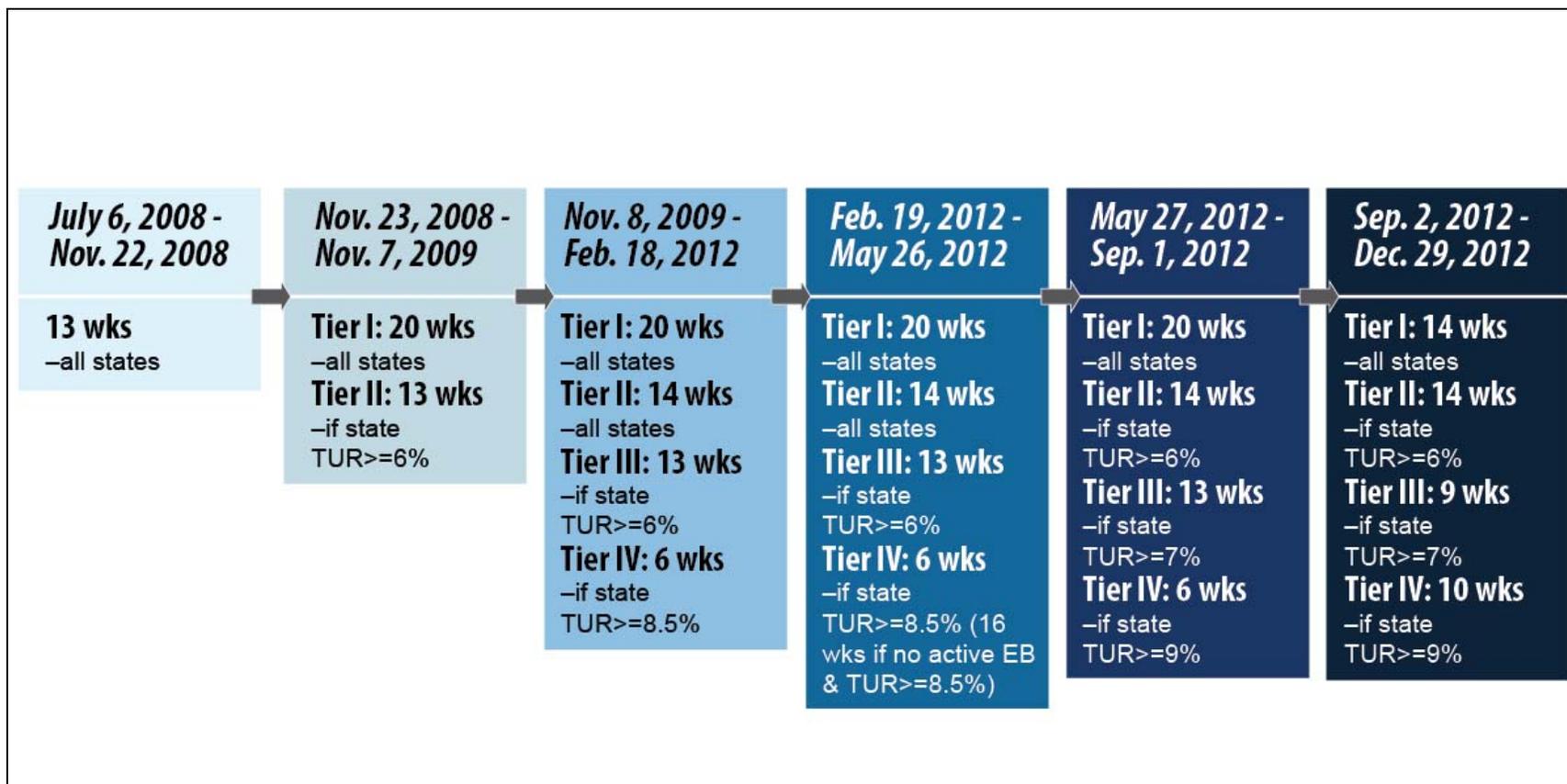
See **Figure 1** below for a diagram of EUC08 benefits available from 2008 to the present. Under current law (as depicted in the last three columns of **Figure 1**), the following changes in structure is scheduled to occur:

- **Tier I** is available in all states, up to 20 weeks until September 2012 when the maximum number of weeks of available benefits decreases to 14 weeks.
- **Tier II** is available in all states, up to 14 weeks until June 2012. Beginning in June 2012, the state's three-month seasonally adjusted average state total unemployment rate (TUR)³ must be at least 6% to have tier II benefits available in the state.
- **Tier III** is available in states with a TUR of at least 6% (or an insured unemployment rate (IUR)⁴ of at least 4%) for up to 13 weeks until June 2012. Beginning in June 2012, the state's TUR must be at least 7% (or IUR of at least 4%) to have tier III benefits available in the state. Beginning September 2012, the maximum number of weeks of UI benefits available in tier III decreases from 13 to 9 weeks.
- **Tier IV** is available in states with an active EB program and a TUR of at least 8.5% or an IUR of at least 5% until June 2012 for up to 6 weeks. However, in states that do not have an active EB program and have a TUR of at least 8.5% (or an IUR of at least 5%), the maximum potential duration is up to 16 weeks. The 16-week provision for states without an active EB program terminates in June 2012.
 - Beginning in June 2012, tier IV benefits are available in a state if that the state's TUR is at least 9% (rather than 8.5%) or the IUR is 5% (unchanged). Thus, for all states meeting the unemployment rate criteria, the maximum potential duration is up to 6 weeks.
 - Beginning in September 2012, the maximum potential duration of tier IV increases to 10 weeks.

³ The total unemployment rate (TUR) is the 13-week average ratio of unemployed workers to all workers (employed and unemployed) in the labor market. The TUR is essentially a three-month average of the seasonally adjusted unemployment rate for each state published by the Bureau of Labor Statistics from its Local Area Unemployment Statistics (LAUS) data.

⁴ The IUR is a program based statistic: the ratio of UC claimants to individuals in UC-covered jobs. The ratio does not include those unemployed workers who are receiving EUC08 or EB payments, who have never received UC benefits, or any other type of unemployed worker except those who are currently receiving regular UC benefits.

Figure 1. Benefits Available in Emergency Unemployment Compensation (EUC08) July 6, 2008-December 29, 2012



Source: Congressional Research Service.

Notes: Because New York defines a week as a period from Monday through Sunday, the effective dates for New York are one day later than those shown above. For example, the EUC08 program first became active in all states except New York on July 6, 2008. The EUC08 program first became active in New York on July 7, 2008.

The total unemployment rate (TUR) is the 13-week average ratio of unemployed workers to all workers (employed and unemployed) in the labor market. The TUR is essentially a three-month average of the seasonally adjusted unemployment rate for each state published by the Bureau of Labor Statistics from its Local Area Unemployment Statistics (LAUS) data. It is possible to have tier III or tier IV available based upon a 13-week average insured unemployment rate (IUR). The IUR is a program based statistic: the ratio of Unemployment Compensation (UC) claimants to individuals in UC-covered jobs. The ratio does not include those unemployed workers who are receiving EUC08 or EB payments, or any other type of unemployed worker except those who are currently receiving regular UC benefits.

How to Find Which Tiers are Available in a State

Each Monday the Department of Labor issues its “Emergency Unemployment Compensation Trigger Notice” at http://www.workforcesecurity.doleta.gov/unemploy/claims_arch.asp. If the status column for tier II, tier III or tier IV 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. The second to the last column, labeled “Tier Four Weeks Available,” lists the maximum potential number of weeks available in tier IV for each state.

When Do the Expanded EUC08 Benefits Begin and End?

To pay EUC08 benefits, states entered into agreements with the U.S. Department of Labor (DOL) to provide the original EUC08 benefit to unemployed individuals in the state under the original EUC08. With an agreement, the EUC08 benefit began the week of July 6, 2008.

Following the passage of P.L. 110-449, additional weeks of EUC08 benefits became available starting 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 began to be paid.

The passage of P.L. 111-92 led to the expanded EUC08 benefits of tiers II, III, and IV 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 of tier IV EUC08 benefits began to be paid. The additional weeks of benefits created by P.L. 111-92 began to be disbursed the week of November 15, 2009 (for the previous week of unemployment).

With the passage of P.L. 112-96 on February 22, 2012, the EUC08 program will undergo a series of changes to the number of weeks of benefits available. For some states tier IV will temporarily offer 6, 10, or 16 weeks of benefits, depending on the state economic conditions, the calendar date, and whether the state has an active EB program.

The schedule of tier IV changes became effective on the date of enactment and, programmatically, this means the changes began for weeks of unemployment that occur on February 19, 2012 (February 20, 2012, for New York) or after. From February 19, 2012, through May 26, 2012, some states may have an additional 10 weeks of tier IV benefits (for a total of 16 weeks). These additional weeks terminate on May 26, 2012. After that date, no more than 6 weeks of tier IV benefits will be available. Beginning September 2, 2012, tier IV will once again increase (by 4 weeks, for a total of 10 weeks) in all states that meet the required state unemployment rate conditions.

All Tiers Terminate the Week Ending On or Before January 2, 2013, with No Grandfathering

All tiers of EUC08 benefits are temporary and expire in the week ending on or before January 2, 2013. Thus, on December 29, 2012 (December 30, 2012, for New York), the EUC08 program ends. There is no grandfathering of any EUC08 benefit after that date.

Tier I EUC08 Eligibility Requirements

Exhausted Regular UC Benefit

The right to regular UC benefits must be exhausted to be eligible for EUC08 benefits.⁵ 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.⁶ 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.⁷

“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 (§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

⁵ Applicants must have been eligible for regular UC benefits and have exhausted their rights to regular UC with respect to a benefit year that expired during or after the week of May 6, 2007. 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. 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 have been eligible to receive EUC08 benefits.

⁶ The 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands provide UC benefits to their workers.

⁷ Individuals in two states (Massachusetts and Montana) may have regular UC durations that exceed 26 weeks. EB law requires that the total potential duration of UC and EB combined not exceed 39 weeks (46 weeks in the case of the high unemployment TUR trigger). Thus, the total potential entitlement—from all unemployment programs, including UC, EUC08, and EB—in these states is not any greater than in other states.

- (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.

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.

Beginning on May 27, 2012 (May 28, 2012, for New York), At or After the Period of Tier II EUC08 Exhaustion, the State Must Currently Have at Least a 6% Unemployment Rate

The individual must have *worked* in a state with a TUR of at least 6%. If the state’s unemployment rate meets one of these conditions, a (still) unemployed tier I benefit exhaustee would be eligible for tier II benefits at that time.

Each Monday the Department of Labor issues its “Emergency Unemployment Compensation Trigger Notice” at http://www.workforcesecurity.doleta.gov/unemploy/claims_arch.asp. If the status column for tier II within the notice is “on” for a particular state’s row, tier II benefits are available in that state.

No Retroactive Payments If State Triggers Back on to Tier II

No retroactive EUC08 payments exist for the period during which the individual had exhausted tier I benefits but the state did not meet the requirements for tier II. However, once a state meets the criteria (and it has been at least 13 weeks since a state triggered off tier II), a continuously unemployed tier I exhaustee would be able to receive tier II 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.

At or After the Period of Tier II EUC08 Exhaustion, the State Must Currently Have at Least a 6% Unemployment Rate (Beginning May 27, 2012, the TUR Must be at Least 7%)

Through May 26, 2012 (May 27, 2012 for New York), for an individual to be eligible for Tier III benefits, the individual must have *worked* in a state with TUR of at least 6% or an IUR of at least 4% at the time of Tier II exhaustion. 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.

Beginning May 27, 2012 (May 28, 2012 for New York), an individual must have *worked* in a state with a TUR of at least 7% or an IUR of at least 4%. (If an individual had previously qualified for tier III benefits before May 27, 2012, the individual's entitlement would be "grandfathered" and continue to its original end date.)

Each Monday the Department of Labor issues its "Emergency Unemployment Compensation Trigger Notice" at http://www.workforcesecurity.doleta.gov/unemploy/claims_arch.asp. If the status column for tier III within the notice is "on" for a particular state's row, tier III benefits are available in the state.

No Retroactive Payments If State Triggers Back on to Tier III

No retroactive EUC08 payments exist for the period during which the individual had exhausted tier II benefits but the state did not meet the tier III criteria. However, once a state meets the tier III requirements (and it has been at least 13 weeks since a state triggered off tier III), a continuously 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 Until May 26, 2012

Through May 26, 2012 (May 27, 2012 for New York), for an individual to be eligible for tier IV benefits the individual must have *worked* in a state with unemployment currently of at least 8.5% or an IUR of at least 5% at the time of Tier III exhaustion. 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.

After May 26, 2012, the State Must Currently Have at Least 9% Unemployment Rate

Beginning May 27, 2012 (May 28, 2012), an individual must have *worked* in a state with unemployment currently of at least 9% or an IUR of at least 5%. (If an individual had previously qualified for tier IV benefits before May 27, 2012, the individual entitlement would be “grandfathered” and continue to its original end date.)

Each Monday, the Department of Labor issues its “Emergency Unemployment Compensation Trigger Notice” at http://www.workforcesecurity.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 If State Triggers Back on to Tier IV

No retroactive EUC08 payments exist for the period during which the individual had exhausted tier III benefits but the state did not meet the tier IV high unemployment criteria. However, once a state reaches the necessary TUR (and it has been at least 13 weeks since the state triggered off of tier IV), a still unemployed tier III exhaustee would be able to receive benefits.

Special Considerations for Determining the Maximum Potential Weeks Available

Individuals Are “Grandfathered” into a Particular Tier’s Available Weeks at the Date of Entering the New Tier Even if the Number of Weeks Available in the Tier Subsequently Increases (or Decreases)

For example, individuals who enter tier IV after February 22, 2012, and are originally eligible for 6 weeks of tier IV benefits (because the state has an active EB program at that time) do not retroactively become eligible for 16 weeks of benefits if the state’s EB program becomes inactive.

Similarly, if an individual exhausts tier III benefits in August 2012 (or earlier) and enters into tier IV with a maximum potential entitlement of 6 weeks, that individual will *not* be eligible for an additional 4 weeks beginning on September 2, 2012.

Special Rule for Tier IV Weeks of Entitlement

Until May 26, 2012, there are two potential maximum weeks of benefits available in tier IV. In states with an active EB program, the maximum potential weeks of benefits is 6 weeks. In states that have an active tier IV program but no active EB program, the maximum is 16 weeks. If an individual is in a state with no active EB program and an active tier IV, the individual’s situation must meet *one* of the following additional requirements to be eligible for 16 weeks rather than 6 weeks of benefits:

1. At the time of enactment (February 22, 2012), the individual was currently in tier IV and there was no active EB program, or

2. At the time of tier III exhaustion the state met the qualifications for the 16 weeks of benefits.

Special Consequences of EUC08 Tier Duration in States with Reduced Maximum UC Duration

In 2011, six states enacted legislation to decrease the maximum number of weeks of regular state UC benefits below the 26 weeks available in most other states: Arkansas (25 weeks); Florida (variable, based on state unemployment rate with range of 12-23 weeks); Illinois (25 weeks); Michigan (20 weeks); Missouri (20 weeks); and South Carolina (20 weeks).⁸

Changes in UC benefit duration have consequences for the duration of EUC08 tiers (as well as EB benefits). Because state UC benefit duration is an underlying factor in the calculation of duration for EUC08 tiers (and EB benefits), the reduction of the maximum duration of regular UC benefits reduces the number of weeks available to unemployed workers from EUC08 (and EB).

For details on EUC08 tier reductions in the six states that have reduced maximum UC duration—Arkansas, Florida, Illinois, Michigan, Missouri, and South Carolina—see CRS Report R41859, *Unemployment Insurance: Consequences of Changes in State Unemployment Compensation Laws*, by Katelin P. Isaacs.

Lapses in EUC08 Authorization

Over the history of the temporary EUC08 program, there have been four lapses in program authorization: February 27, 2010, to March 2, 2010; April 3, 2010, to April 15, 2010; June 2, 2010, to July 22, 2010; and November 30, 2010, to December 17, 2010.

Each of these lapses was addressed either in law, via retroactive effective dates of program extension legislation for longer lapses, or through the administration of the program, in the case of the shortest lapse (February 27, 2010-March 2, 2010). The longest of these authorization lapses was 49 days (or 7 weeks), occurring between June 2, 2010, and July 22, 2010, and ending when P.L. 111-205 was signed. The passage of P.L. 111-312 addressed the most recent lapse (November 30, 2010-December 17, 2010) and retroactively restored EUC08 program authorization.

⁸ The maximum UC duration in Massachusetts is 30 weeks and in Montana it is 28 weeks. In conjunction with an active EB program in these states, however, UC duration is capped at 26 weeks.

See **Table 2** below for additional details on these authorization lapses.

Table 2. Summary of EUC08 Program Authorization Lapses

EUC08 Authorization Lapse Beginning Date	EUC08 Authorization Lapse Ending Date	Number of Days Lapse Lasted	Legislation that Ended Lapse
2/27/2010	3/2/2010	2	Temporary Extension Act of 2010 (P.L. 111-144)
4/3/2010	4/15/2010	11	The Continuing Extension Act of 2010 (P.L. 111-157)
6/2/2010	7/22/2010	49	The Unemployment Compensation Extension Act of 2010 (P.L. 111-205)
11/30/2010	12/17/2010	16	The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312)

Source: Congressional Research Service.

The Extended Benefit Program

The EUC08 program should not be confused with the similarly named Extended Benefit (EB) program.⁹ The EUC08 program is temporary and a portion of the program is available regardless of state unemployment conditions. In comparison, 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://www.workforsecurity.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.

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, at the option of each state, up to a maximum of 20 weeks in certain states with extremely high unemployment.

⁹ For a detailed description of the EB program, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*, by Katelin P. Isaacs and Julie M. Whittaker.

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.¹⁰

The American Recovery and Reinvestment Act of 2009, P.L. 111-5, provided for 100% federal financing of the EB program through December 31, 2009 (through the Extended Unemployment Compensation Account within the Unemployment Trust Fund). P.L. 111-118 extended the 100% financing for an additional two months, until February 28, 2010. P.L. 111-144, P.L. 111-157, and P.L. 111-205 further extended 100% federal financing of the EB program through April 5, 2010, June 2, 2010, and December 1, 2010, respectively. P.L. 111-312 extended the 100% federal financing of EB through January 4, 2012. P.L. 112-78 further extended the 100% federal financing of EB through March 7, 2012. Most recently, P.L. 112-96 extends the 100% federal financing through December 31, 2012. For individuals who began to receive extended benefits on or before December 31, 2012, 100% federal financing would continue for the length of receipt of the extended benefits, even if these benefits continue to be paid after December 31, 2012.¹¹ For extended benefit payments that start after December 31, 2012, benefits would again be funded 50% by the states and 50% by the federal government.

EUC08 and EB Interactions

Which Benefit Is Paid First?

P.L. 112-96 requires that states pay EUC08 benefits before EB benefits. Before the enactment of P.L. 112-96, states had the option to pay EB first. Alaska was the only state to pay EB first.

Legislation Enacted in the 112th Congress¹²

P.L. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012

P.L. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012 (signed on February 16, 2012) contains complex and phased-in changes to the EUC08 program. This law extends the authorization of the EUC08 program until the week ending on or before January 2, 2013. The last day of EUC08 availability is December 29, 2012 (December 30, 2012, for New York). There

¹⁰ 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 Recovery and Reinvestment Act of 2009 (P.L. 111-5), as amended, extends this suspension until the week ending before June 30, 2013.

¹¹ For more information on temporary changes to the EB program under the American Recovery and Reinvestment Act of 2009, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*, by Katelin P. Isaacs and Julie M. Whittaker.

¹² For information on bills introduced in the 112th Congress that propose changes to UI benefits and programs, including EUC08, see CRS Report R41662, *Unemployment Insurance: Legislative Issues in the 112th Congress*, by Julie M. Whittaker and Katelin P. Isaacs.

would be no grandfathering of EUC08 benefits after that date. Individuals who had not completed a tier of EUC08 would not continue to receive those benefits after the week ending on or before January 2, 2013. As discussed throughout this report, P.L. 112-96 also alters the duration and/or the state availability of each tier of the EUC08 program during three separate periods: March-May 2012, June-August 2012, and September-December 2012.

Additional Unemployment Insurance Provisions

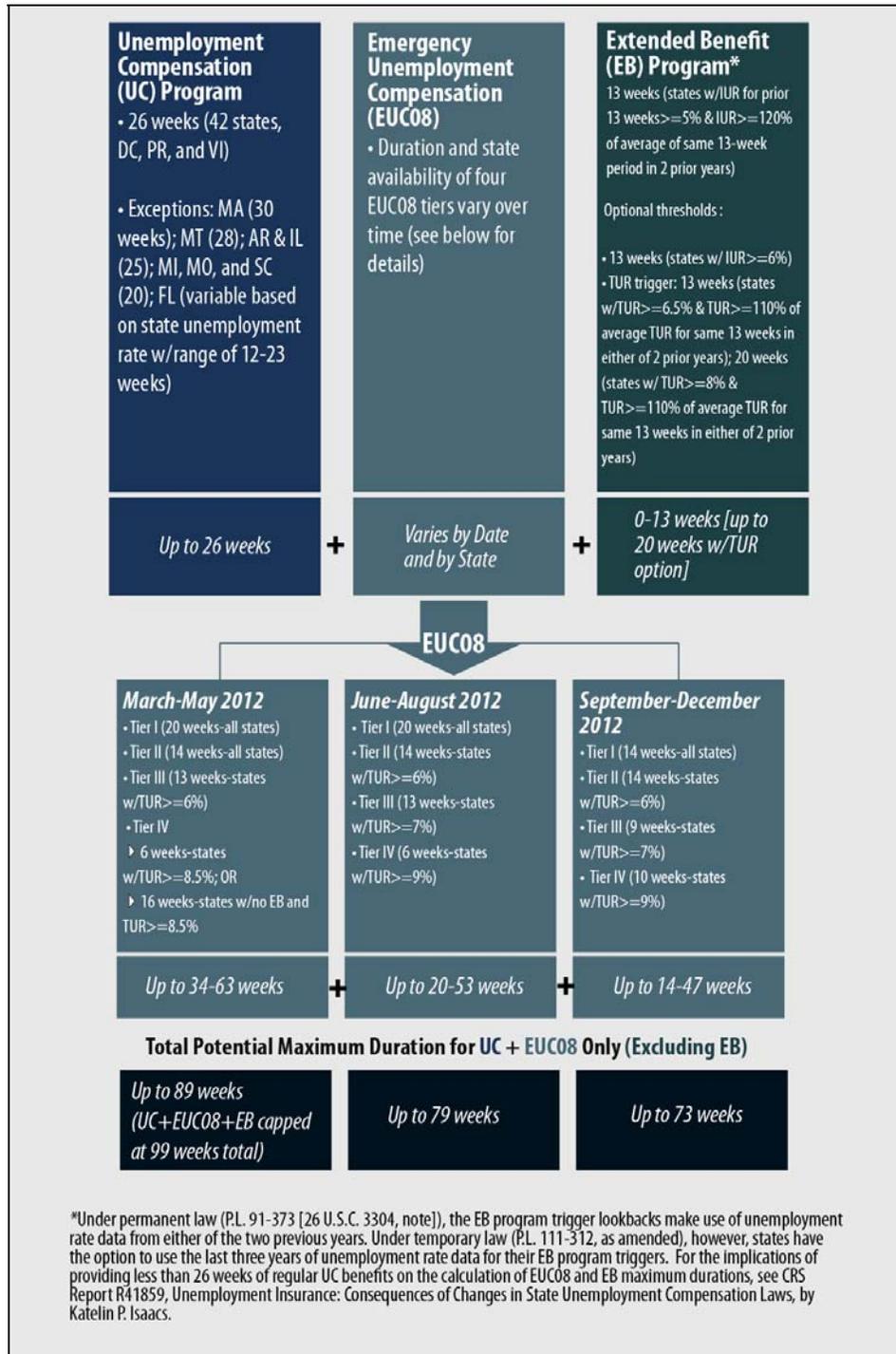
P.L. 112-96 requires states to pay individuals any entitlement to EUC08 benefits before any entitlements to EB benefits. P.L. 112-96 also extends the 100% federal financing of EB through December 31, 2012, as well as the option for states to use three-year lookbacks in their EB triggers until the week ending on or before December 31, 2012.

P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011

On December 23, 2011, President Barack Obama signed P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011. P.L. 112-78 extended the expiring UI laws for two months. Under P.L. 112-78, the authorization for the EUC08 program expired the week ending on or before March 6, 2012, and the 100% federal financing of the EB program expired March 7, 2012.

Appendix. Availability and Sequence of Unemployment Benefits

Figure A-1. Sequence of Unemployment Benefits: UC, EUC08, and EB



Source: Congressional Research Service.

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