



Michigan League FOR Human Services

November 2009

Understanding Michigan's Extended Unemployment Insurance Benefits

Ordinarily, an unemployed worker can receive Unemployment Insurance (UI) benefits for a maximum of 26 weeks. However, due to the economic hardship around the country, Congress has several times extended the number of weeks that a state may allow its unemployed workers to collect benefits, with the federal government fully funding the extensions. Because Michigan has an extraordinarily high unemployment rate, it qualifies for the maximum number of extended weeks. With the President's signing of H.R. 3548, the Worker, Homeownership, and Business Assistance Act of 2009, Michigan unemployed workers can now collect unemployment insurance benefits for up to 99 weeks.

What workers qualify for the additional benefit weeks enacted in the November legislation?

Individuals who have exhausted their benefits and those who exhaust them in the future. However, the benefits are not retroactive; for workers who have already used up their benefit weeks, only weeks of unemployment after the new law's effective date (the week of November 8) will be counted.

Congress has passed legislation several times that adds more benefit weeks. Some additional weeks are called "Extended Benefit" and others are called "Emergency Unemployment Compensation." What is the difference?

Extended Benefits provisions have been in place for a long time, while Emergency Unemployment Compensation (EUC) was passed by Congress during the current recession. Additional Extended Benefit weeks were also added as part of the American Recovery and Reinvestment Act (ARRA). Generally, there is not much difference between the two types of benefits, except that Extended Benefits require the filer to keep stricter records of job search activities. In Michigan, there is no difference in benefit levels between the two types.

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What is the typical sequence of benefits available to workers experiencing long-term unemployment?

All workers get regular state UI benefits for up to 26 weeks. If they are still unemployed after those benefits are exhausted, they will generally draw Emergency Unemployment Compensation followed by Extended Benefits.

What about workers who are receiving Unemployment Insurance (UI) and have not yet exhausted their benefits?

Workers who exhaust their state UI benefits before the end of the year can begin collecting their federal EUC benefits. However, under the current legislation, the extensions start phasing out after December 2009 and expire in May 2010. According to the National Employment Law Project, Congress must pass legislation before the end of 2009 that extends both the Emergency Unemployment Compensation (EUC) provisions and the full funding of Extended Benefits to ensure that all unemployed workers can receive the additional weeks of EUC currently available.

What about workers who got a job after exhausting their benefits but are now unemployed again?

Those workers are required to reopen their claim using the usual procedures, and to report their employment to the Unemployment Insurance Agency.

What should workers do to claim the benefits provided in the November legislation?

Nothing, until they are notified by mail by the Unemployment Insurance Agency (UIA), which will explain how and when to apply for the additional benefits. The UIA has indicated that affected workers should receive filing instructions in the mail by November 24. Unless a worker has moved and hasn't provided a new address, or has not heard from the UIA about the new benefits by November 24, it should not be necessary to contact the UIA.

When will Michigan workers receive the benefits?

The state Unemployment Insurance Agency expects to start sending out checks in mid-December, although the payments will be made retroactive to November 8.

Michigan's Unemployment Insurance Benefit Weeks

Source	Which States Qualify?	When Michigan Qualified	Funding Source	Number of Weeks
Basic UI	All states.	Ongoing	Federal and state taxes levied on employers	26
Extended Benefits (EB)	When the Insured Unemployment Rate (the number of UI claims divided by the number of insured employees) is five percent for a 13-week period, and 20 percent above the IUR rate for the same 13-week period in the two previous years.	Most recently, in January 2009.	Generally shared by state and federal gov'ts, but currently funded fully by federal gov't under ARRA until June 2010	13
Emergency Unemployment Compensation (EUC)--Tier 1 (June 2008)	All states. This provides additional weeks to all qualified workers who have exhausted regular unemployment compensation.	When enacted	Federal Gov't	20
Emergency Unemployment Compensation (EUC)--Tier 2 (June 2008)	Originally, only states with an unemployment rate 6 percent or higher. However, the November legislation allows all states to qualify.	January 2009	Federal Gov't	14
Extended Benefits (EB)--Additional under ARRA	Only states with an unemployment rate 8 percent or higher. Michigan had to amend its UI statute in order to accept the funds.	When enacted	Federal Gov't	7
Emergency Unemployment Compensation (EUC)--Tier 3 (November 2009)	Only states with an unemployment rate 6 percent or higher.	When enacted	Federal Gov't	13
Emergency Unemployment Compensation (EUC)--Tier 4 (November 2009)	Only states with an unemployment rate 8.5 percent or higher.	When enacted	Federal Gov't	6

Total # of UI benefit weeks in Michigan

99