



National Employment Law Project

From the National Employment Law Project

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NEW ANALYSIS:

1 MILLION WORKERS WILL LOSE JOBLESS BENEFITS IN JANUARY IF CONGRESS FAILS TO REAUTHORIZE ARRA

Expiration of Recovery Package Benefits Requires December Renewal for 2010 in Face of Long-Term Unemployment

Washington, DC – Today the National Employment Law Project (NELP) released a new analysis finding that one million workers will become ineligible for unemployment benefits in January 2010 unless Congress reauthorizes the American Recovery and Reinvestment Act's unemployment insurance programs by the end of December. The critical benefits provided to jobless workers by the ARRA are set to expire at the end of the year, which means that even with the latest 14 to 20 week extension enacted in November, 30,000 workers a day will be left without any jobless benefits in January. By March, the number without federal jobless benefits will swell to nearly three million workers.

“There is no time to waste to reauthorize the jobless benefits and health care subsidies that are now the lifeline for millions of jobless Americans hardest hit by the recession. Despite the crucial weeks of extensions Congress passed earlier this month, the looming question is what happens next year, if the entire ARRA unemployment package expires with nothing in its place. Congress has less than four weeks left on its schedule to legislate this year, and unless it acts to renew the unemployment provisions during this period, the clock will run out for a million workers,” said **Christine Owens, Executive Director of the National Employment Law Project.**

“Given the record levels of long-term unemployment, which are likely to rise further, it is critical that President Obama and members of Congress join forces now to reauthorize the program for another year,” Owens stated.

NELP's national estimate, “Workers Losing Federal Unemployment Benefits in January 2010 Due to Expiration of the ARRA” is available here:

<http://www.nelp.org/page/-/UI/Jan.2010.graph.pdf?nocdn=1> .

The ARRA, enacted in February, funded a comprehensive set of protections to help unemployed workers throughout the year. A similar approach will be necessary in 2010 as long-term unemployment continues at record levels. Features of the 2009 ARRA included:

- The Emergency Unemployment Compensation (EUC) program, which was expanded in November to provide four tiers of benefits for workers who run out of their basic 26 weeks of state assistance (ranging from 34 weeks to a full 53 weeks of benefits for workers in states with unemployment rates over 8.5%).
- Full federal funding of the Extended Benefits (EB) program, which provides another 13 to 20 weeks of benefits that are normally paid for 50% by states.
- An increase of \$25 per week in both state and federally-funded UI benefits. Nearly nine million workers are now collecting either state or federally-funded benefits that qualify for the \$25 weekly supplement.
- The 65% COBRA subsidy, which lasts nine months. Employer surveys show that the number of workers participating in the COBRA program has doubled since the subsidy took effect, although participation remains below 20% of all those eligible.
- The suspension of the federal income tax on an individual's the first \$2,400 of unemployment benefits.

NELP's projection today is a combined estimate of exhaustions from state-provided benefits and federally-funded extensions:

- Almost 450,000 workers will exhaust their 26 weeks of states benefits without accessing the temporary EUC extension program or the permanent federal program of Extended Benefits.
- Nearly 600,000 workers will not be eligible to continue receiving EUC past their current tier of benefits.

Between January and March, the number without federal jobless benefits is expected to swell to nearly three million workers if the ARRA is not reauthorized. These figures take into account the impact of the ARRA's December deadline on the extensions of unemployment benefits. They do not include the number of workers who will no longer qualify for the ARRA's COBRA subsidy program when it expires in December.

“Any delay reauthorizing the ARRA will have devastating consequences not just for workers and the struggling communities hardest hit by the recession. By early December, state agencies that administer unemployment benefits will be forced to notify workers that the program will be shut down by the end of year, as required by federal law. If Congress doesn't reauthorize the programs as soon as possible, this ARRA deadline will create total chaos for the state agencies and workers facing an uncertain future,” said Ms. Owens.

For more information on the methodology used to arrive at the estimates presented in the new NELP chart, please contact Tim Bradley at tim@berlinrosen.com or Anna Deknatel at anna@berlinrosen.com. NELP is also available to help identify workers whose benefits are expiring.

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