



For Immediate Release: December 21, 2009

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UNEMPLOYMENT INSURANCE PROVISIONS EXTENDED INTO 2010

Two-Month Reauthorization of Recovery Package Benefits Allows Over 2 Million Workers to Continue Benefits

Federal Extensions of Unemployment Benefits, \$25 Weekly Increase in Benefit Checks, and Enhanced COBRA Subsidies for the Unemployed Reauthorized

Washington, DC – Responding to an imminent deadline, both houses of Congress and the White House have now enacted a crucial extension of unemployment insurance provisions that will allow nearly 2.3 million jobless workers at risk of losing benefits early next year to continue receiving them, according to NELP analysis.

The reauthorized provisions of the American Reinvestment and Recovery Act (ARRA), which were set to expire at the end of 2009, will now be funded for the first two months of the coming year, and include the Emergency Unemployment Insurance (EUC) program, full federal funding for the Extended Benefits (EB) program, and an additional \$25 weekly supplement for all benefit recipients. In addition, the COBRA subsidy program for unemployed workers was improved by extending its duration to 15 months, making longer-term continuation of health coverage more feasible for millions.

According to NELP analysis, the extension prevents over 1 million workers from losing benefits in January alone, and will help 2.3 million workers nationally either move onto a federal extension program after running out of their state benefits or continue on to an additional tier of the federal extensions during January and February of 2010. The House first passed the measure on December 16th, followed by Senate approval on December 19th. The President signed the measure on December 21st.

“Reauthorization of these Recovery Act benefits has come at a critical time for millions of workers who are struggling to find work in today’s economy and faced a cut-off of this vital safety net. This extension was passed just as the current ARRA provisions were set to expire, thus saving families added anguish caused by the uncertainty of their benefit status,” said **Christine Owens, Executive Director of the National Employment Law Project.**

“Reauthorization of these provisions is also particularly crucial in light of the record levels of long-term unemployment that have severely crippled communities across the country,” Owens stated.

Record long-term unemployment and the lack of available jobs underscore the gravity of the recession and dismal employment outlook for the coming year. Jobless workers have remained without work for an average of 28 weeks—more than half a year—and 38.3 percent of the unemployed have been out of work even longer. The number of long-term jobless workers – those unemployed for six months or more - currently stands at 5.6 million. At the root of these disturbing trends is the absence of jobs: in October, there were 6.3 job seekers for every one job opening nationally.

“We still must create more than 10 million jobs in order to recover the 7.2 million jobs lost already and to account for growth in the working age population since the beginning of the recession. Clearly, we need to continue these Recovery Act provisions beyond the first two months of the new year and well into 2010; long-term unemployment cannot be expected to recover soon in light of such a severe jobs shortage,” stated Owens.

The ARRA, enacted in February, funded a comprehensive set of protections to help unemployed workers throughout the year. Features of the 2009 ARRA that are now continued in 2010 are:

- 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 has been extended from nine months to 15 in the current reauthorization. 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.

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