

The American Recovery and Reinvestment Act of 2009 is now law and will be effective February 22, 2009. Here are the basic facts about how this law affects Unemployment Insurance.

Additional \$25:

Each unemployment payment includes an additional \$25.

- This effects payments for any unemployment payments for weeks between February 22, 2009 and December 26, 2009. It is not retroactive.
- All UI claims and extensions (including TRA) are covered.
- The additional \$25 will be added to any weekly benefit payment of a dollar or more or if an overpayment offset reduces benefits to zero.
- The \$25 will not increase the Maximum Benefit Amount or balance on your claim.
- The \$25 does not affect earnings or deductible income calculations.
- Child Support will not be deducted from the \$25.
- State and Federal Tax Withholdings apply to the \$25.

Claimants cannot choose whether to receive the \$25. Everyone who meets the eligibility requirements will receive the payment, regardless of the effect the extra \$25 may have on other entitlement programs.

Federal tax exemption:

The first \$2,400 of UI benefits received during the 2009 tax year are not subject to federal taxes. The first \$2,400 may still be subject to Oregon state taxes.

If you wish to change your withholding, please follow this link.

http://www.employment.oregon.gov/EMPLOY/UI/docs/UI_forms/1040WH.pdf