

## EXTENSIONS AND SPECIAL PROGRAMS

The previous chapter dealt with duration of benefits in terms of the regular UI program. However, extensions of UI are available under certain circumstances. In addition, some programs provide benefits when UI is not normally payable. This chapter covers these special programs. In particular, it discusses of extensions of benefits such as:

- State additional benefits (AB) programs
- The Federal-State Extended Benefits (EB) Program
- Trade Readjustment Allowances (TRA).

This chapter also includes information on the Disaster Unemployment Assistance (DUA) program which provides assistance to individuals who are unemployed due to a disaster and who are ineligible for UI. Finally, it addresses programs commonly described as "alternative use" programs in that they allow payment of UI under circumstances in which a worker would normally be ineligible. These include:

- Short-time Compensation (Worksharing)
- Self-Employment Assistance (SEA).

### PROGRAMS FOR EXTENDED DURATION

#### ADDITIONAL BENEFITS

A few states have solely state-financed programs for extending the potential duration of benefits during periods of high unemployment, for claimants in approved training who exhaust benefits, or for a variety of other reasons. Although some state laws call these programs "extended benefits," this document uses the term "additional benefits" to avoid confusion with the Federal-State EB program. The following table includes information about states that have permanent AB programs.

ADDITIONAL BENEFITS	
State	Basis & Potential Extensions
AK	"Supplemental Benefits" are payable (up to 13 weeks) if claimant exhausts regular UI and does not qualify monetarily
AR	Whether EB is state or state-federal is AT option of the Governor. Maximum of 13 weeks.
CA	"Extended - Duration Benefits." Provides for up to 13 weeks of benefits, if claimant is not eligible for regular UI, is not eligible for any Federal-State EB, and if the insured unemployment rate is at least 6%. State law provides that any Federal-State EB is counted toward Extended-Duration Benefits (total of either program cannot exceed 13 weeks).
CT	"Additional Benefits during periods of Substantial Unemployment" - state program paying EB under the same qualifying circumstances as State-Federal EB, within claimant's benefit year, up to a maximum of 13 weeks. Designed to pay a claimant who is not entitled for EB.
DC	Paid to qualified claimants if no State-Federal EB is in effect, and if the rate of insured unemployment is 3.75% or higher. Additional benefits are paid in two 5-week phases; claimants must apply for phase two additional benefits by providing specific information about work search efforts made during phase one.

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ADDITIONAL BENEFITS	
State	Basis & Potential Extensions
HI	"Additional Unemployment Compensation Law" provides up to 13 weeks of benefits if unemployment in a specified county is as a result of a natural or man-made disaster, as declared by the Governor. Law addresses claimants who have exhausted their regular UI; who do not qualify for UI monetarily; or self-employed individuals, whose unemployment was "proximately caused by the disaster." There is also a 13-week AB program for claims filed after Sept 11, 2001; the bill will be repealed effective June 30, 2002.
IL	Law allows for additional benefits for high unemployment or other factors. Claimant would have option of receiving additional benefits or extended benefits; however, law does not specify eligibility criteria.
IA	In the event of a claimant being unemployed due to his last employer going out of business ed, the claimant's wage credits are recomputed up from 1/3 of the wages for insured work to 1/2, up to a maximum of 13 additional weeks.
MI	Provides for up to 18 weeks of "Extended Training or Retraining Benefits" – must be approved training and is separate from TRA.
MN	Up to 13 weeks of additional benefits are provided if: claimant was laid off from his main base-period employer, and that employer had employed 100 or more workers; the lay off resulted in at least a 50% reduction of the workforce; the employer has no expressed intentions of rehiring the claimant; claimant has exhausted regular UI, and the facility is located in a county with an unemployment rate of at least 10% during the month of or the three months before or three months after the lay off. Includes reductions as a result of natural disasters.
NJ	26 weeks of additional benefits for approved training and education.
NY	State law provides for payment up to 104 days of additional benefits if claimant is in approved training, separate from TRA. The law requires the state to fund \$20 million for this training program per year.
OR	"Supplemental benefits" may be paid to eligible dislocated workers. The law specifies that the worker's unemployment is substantially due to lack of job opportunities in his/her local labor market resulting from 1) high energy costs, 2) extended drought conditions and the attendant economic conditions, 3) secondary effects of foreign trade, and 4) a shift of production to another state or territory of the US. Payments can be made up to 26 weeks so long as the claimant is in approved professional technical training.
PR	Law allows for additional benefits in certain "special nonagricultural unemployment situations," defined as a significant displacement of workers due to technological progress and/or the permanent disappearance of an industry, establishment or occupation. The law also allows provisions for special agricultural unemployment situations. The total number of weeks available to a claimant cannot exceed 20 times the claimant's regular weekly benefit amount in his/her last benefit year, plus 32 times the additional weekly benefit amount. If the claimant has received state-federal EB, the amount collected is deducted from any additional benefits.
VI	Law allows for additional benefits, payable to claimants who have exhausted regular UI by reason of conditions of high unemployment or by reason of other special factors, such as being in approved training; however, no specific eligibility criteria are cited.
WA	No state-financed additional benefits, but the state does have a "training benefits program" (separate from TRA) providing up to 74 times the claimant's weekly benefit amount (52 after June 30, 2003). This program targets dislocated workers from the aerospace, forest products and fishing industries.
WI	Wisconsin law provides for "Supplemental Benefits," with the same eligibility criteria and triggering factors as state-federal EB. The governor can elect to maintain supplemental benefits or can "trigger off" to allow payment through state-federal EB.

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### FEDERAL-STATE EXTENDED BENEFITS (EB)

Since 1970, federal law has provided for payment of EB during periods of high unemployment in a state.

**Triggers for EB** – The following "triggers" are used to determine whether EB is payable in a particular state:

**Mandatory** -- A state must pay EB (13 week duration) if the insured unemployment rate (IUR) for the previous 13 weeks is at least 5% and is 120% of the average of the rates for the same 13-week period in each of the 2 previous years. (The IUR is the ratio of the number of individuals collecting UI to the number of workers who could potentially collect UI if they lost their jobs.)

**Optional** -- A state may pay EB (13 weeks) if the IUR for the previous 13 weeks is at least 6%, regardless of the experience in the previous years.

**Optional** -- A state may pay EB (13 weeks) if the average total unemployment rate (TUR), seasonally adjusted, for the most recent 3 months is at least 6.5% and is 110% of the rate for the same 3-month period in either of the 2 previous years. If such rate is at least 8.0% and is 110% of the rate for the same 3-month period in either of the 2 previous years, the duration increases from 13 to 20 weeks.

OPTIONAL TRIGGERS FOR EB					
State	<u>DOES NOT Use</u> 6% IUR Option	Uses 6.5% TUR Option	State	<u>DOES NOT Use</u> 6% IUR Option	Uses 6.5% TUR Option
Alaska		X	New Hampshire	X	X
Connecticut		X	North Dakota	X	
Delaware	X		Oregon		X
Florida	X		Rhode Island		X
Georgia	X		South Dakota	X	
Iowa	X		Utah	X	
Kansas		X	Vermont		X
Kentucky	X		Washington	X	X
Massachusetts	X		Wyoming	X	

**Financing of EB** – Half of the cost of EB is financed by the federal government from FUTA revenues. (If the state already provides for duration of over 26 weeks, the federal government will also share in the cost of any weeks beyond 26.) The federal share of EB will be reduced if a state (a) has no waiting week or permits payment of the waiting week at any time, or (b) does not round benefits down to the lower

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dollar. No federal sharing is available for EB costs attributable to employment with state and local governmental entities or federally recognized Indian tribes. (These entities do not pay the FUTA tax which finances the federal share of EB.)

**Special Qualifying Requirements** – Generally, state law applies to the payment of EB. However, some special qualifying requirements exist:

- A worker must have 20 weeks of work or the equivalent (1-1/2 times high-quarter wages or 40 times weekly benefit amount) in the base period.
- A worker claiming EB who fails to make "a systematic and sustained" work search or to apply for or accept "suitable work" work is not entitled to EB until the worker has been employed during at least 4 weeks and has earned a total of 4 times the worker's EB amount. Suitable work is defined as "any work within such individual's capabilities."
- Any disqualification for voluntarily quitting work, committing misconduct, or refusing suitable work must be purged through subsequent employment.

**Reductions in Amount of EB** - EB paid on interstate claims is limited to 2 weeks unless both agent and liable states are in an EB period. Also, workers who received TRA before EB triggered on in a state will have their EB entitlement reduced by the number of weeks of TRA received. In addition, some states reduce the EB amount payable to a worker during a period in which federal sharing of the cost of EB is reduced pursuant to a sequester order.

STATES REDUCING EB PAYABLE WHEN FEDERAL SHARING REDUCED PURSUANT TO A SEQUESTER ORDER				
Colorado	Kentucky	Missouri	North Carolina	South Dakota
Delaware	Louisiana	Nebraska	North Dakota	West Virginia
Kansas	Mississippi	New Mexico	Oklahoma	Wyoming

### TRADE READJUSTMENT ALLOWANCES (TRA)

The Trade Act of 1974, as amended, provides for adjustment assistance to workers who are unemployed or underemployed because of the adverse effect of increased imports as a result of trade arrangements permitted under the Act. Trade adjustment assistance (TAA) provided by the Act consists of trade readjustment allowances (TRA), relocation and job search allowances, and subsistence and transportation allowances during periods of referred training.

The Secretary of Labor has entered into agreements with state agencies whereby the agencies will act as agents for the federal government in paying TRA and other allowances to eligible workers. Payments and administrative costs are paid from federal funds.

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**CERTIFICATION PROCESS** – Workers are certified as eligible to apply for TAA if a group of three or more workers, or a certified or recognized union or duly authorized representative petitions the Secretary of Labor for a determination of eligibility to apply for TAA and the Secretary determines that the importation of competitive foreign products contributed importantly to the loss of employment at the firm mentioned in the worker's petition.

**QUALIFYING REQUIREMENTS** – To qualify for TRA the worker must have had at least 26 weeks of employment at wages of at least \$30 a week within the 52-week period ending with the week of the individual's total or partial separation from adversely affected employment. Along with other requirements to receive TRA payments, the worker must be participating in an approved training program unless it is determined that training is not feasible or appropriate. TRA is payable for 52 weeks, less any UC paid or payable in the trade-qualifying benefit period. To permit the completion of approved training, up to 26 additional weeks of TRA may be paid.

**DURATION** – TRA is payable at the state UI rate over a 104-week eligibility period beginning with the first week after the worker's most recent TRA qualifying separation from employment. Any weeks of UI paid or payable in the Trade-qualifying UI benefit period are deducted from the 52 weeks of TRA payable. To permit the completion of approved training, up to 26 additional weeks of TRA may be paid.

**SUBSISTENCE AND TRANSPORTATION ALLOWANCES** – An adversely affected worker may receive TRA while undergoing approved training. The worker may also receive subsistence and transportation allowances while attending training at a facility which is not within commuting distance of his residence.

**RELOCATION ALLOWANCES** – Relocation allowances are payable to a totally separated worker who has no reasonable expectation of securing suitable work in the area in which he lives, and who has a bona fide offer of suitable work in the area in which he wishes to relocate. Relocation allowances consist of (1) a lump sum payment of up to \$800 and (2) 90 percent of the expenses incurred in moving the worker, and family and household effects to the location of his new job.

**JOB SEARCH ALLOWANCES** – Job search allowances are payable to a totally separated worker who has no reasonable expectation of securing suitable work in the area in which he lives, and who has a reasonable expectancy of securing suitable employment in the area of the proposed job search. Job search allowances consist of 90 percent of the cost of the necessary expenses incurred in the job search up to a maximum of \$800 under a single certification.

### **THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)**

The NAFTA Transitional Adjustment Assistance (NAFTA-TAA) program provides special benefits to those workers who were laid off or had hours reduced because their employer was adversely affected by increased imports from Mexico or Canada or because their employer shifted production to either of these countries. These benefits include trade readjustment allowances, job search allowances, relocation allowances, training and other reemployment services.

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### ALTERNATIVE USE & DISASTER PROGRAMS

#### SHORT-TIME COMPENSATION (WORKSHARING)

Like the partial benefit provisions of state laws, short-time compensation, or worksharing, programs allow a worker who is employed for a portion of the week to collect UI. Whereas partial benefit formulas look at the worker's earnings, worksharing looks at the hours of work.

Under worksharing, an employer elects to avoid layoffs by reducing the number of regularly scheduled hours of work for all workers. A worksharing plan must be agreed to by both the employer and, if unionized, the union and approved by the state UI agency. UI is then payable for the hours of work reduced as a proportion of the benefit amount for a full week of unemployment. Workers are not required to meet a state's regular availability for work, actively seeking work, or refusal of work requirements, but are required to be available for the employee's normal workweek.

STATES WITH WORKSHARING PROGRAMS (19 STATES)				
State	Period of Approved Plan	Required Reduction of Work	Maximum Number of Weeks Payable	Other
AZ	1 year	At least 10% but not more than 40%	26 weeks (limitation does not apply if state insured unemployment rate for preceding 12 weeks is equal or greater than four percent)	Rate increases 1%, if the negative reserve ratio is at least 15%; 2% if the negative reserve ratio is 15% or more
AR	12 months or date in plan, whichever is earlier	Not less than 10%, but not more than 40%	26 weeks	
CA	6 months	At least 10%	No limit on weeks, but total paid can not exceed 26 x WBA	Plans not required to address fringe benefits
CT	6 months	Not less than 20%, but not more than 40%	26 weeks (With 26 week extension possible)	
FL	12 months	Not less than 10%, but not more than 40%	26 weeks	1% higher maximum tax rate. Other part-time employment affects payment.
IA	24 months	Not less than 20%, but not more than 50%	26 weeks	

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STATES WITH WORKSHARING PROGRAMS (19 STATES)				
State	Period of Approved Plan	Required Reduction of Work	Maximum Number of Weeks Payable	Other
KS	12 months	Not less than 20%, but not more than 40%	26 weeks	Automatic exclusion of Negative Balance Employers
LA	12 months or date in plan, whichever is earlier	at least 10%	26 weeks	Plans not required to address fringe benefits
MD	6 months	At least 10% not to exceed to 50%	26 weeks	All STC benefits charged to STC employer regardless of base period charging rule
MA	26 weeks	Not less than 10%, but not more than 60%	26 weeks	Employers with negative balances charged as though they were reimbursers
MN	1 year	At least 20%, but not more than 40%	52 weeks	
MO	12 months	Not less than 20%, but not more than 40%	26 weeks	
NY		Not less than 20%, but not more than 60%	20 weeks	
ND	1 year	Not less than 5%, but not more than 70%	26 weeks	Negative balance employers may not participate
OR	No more than 1 year	At least 20%, but not more than 40%	26 weeks	If employer's benefit ratio is greater than its tax rate, the employer must reimburse the excess at the end of each calendar quarter
RI	12 months	Not less than 10%, but not more than 50%	26 weeks	All worksharing benefits charged to worksharing employer regardless of base period charging rule
TX	12 months	At least 10%, but not more than 40%	52 weeks	
VT	6 months or date in plan, whichever is earlier	Not less than not 20%, but not more than 50%	26 weeks	

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STATES WITH WORKSHARING PROGRAMS (19 STATES)				
State	Period of Approved Plan	Required Reduction of Work	Maximum Number of Weeks Payable	Other
WA	12 months or date in plan, whichever is earlier	Not less than 10%, but not more than 50%	26 weeks	

### SELF-EMPLOYMENT ASSISTANCE (SEA) PROGRAM

SEA programs help unemployed workers to create their own jobs by starting small businesses. To be eligible for SEA payments, workers must be:

- Eligible for UI
- Permanently laid off from their previous jobs
- Identified as likely to exhaust their benefits
- Participating in self-employment activities including entrepreneurial training, business counseling, and technical assistance.

The authorizing federal law requires that no more than 5% of workers receiving regular UI may be part of an SEA program.

Workers enrolled in an SEA program will receive weekly self-employment payments. These payments will be the same weekly amount as the worker's regular UI, while working full-time on starting a business.

States with SEA Programs		
Delaware	Maine	Maryland
New Jersey	New York	Oregon
Pennsylvania	California (has authority in law but no program)	

### DISASTER UNEMPLOYMENT ASSISTANCE (DUA)

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) authorizes the President to provide to any individual unemployed as a result of a major disaster such assistance as the President deems appropriate while the individual is unemployed. These DUA payments are made by state UI agencies under agreements with the Secretary of Labor. Funds for both benefits and administrative costs are provided by the Federal Emergency Management Administration (FEMA) to the Secretary who, in turn, makes them available to the states.

**ELIGIBILITY** – In general, federal regulations provide that certain individuals living or working in



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areas affected by a major disaster who are unemployed because of the disaster are eligible for DUA even if they are not eligible for unemployment benefits or other wage replacement payments. Applications for DUA must be filed within thirty days of the Governor's announcement of a disaster in the state; the unemployment must be directly caused by the disaster; and individuals must be able and available for suitable work.

**DISASTER ASSISTANCE PERIOD** – The disaster assistance period – the period during which DUA is payable – begins with the first week following the date the major disaster began. DUA is available to an individual during this period as long as unemployment caused by the disaster continues or until he or she is reemployed in a suitable position, but no longer than 26 weeks after the major disaster is declared.

**WEEKLY ASSISTANCE AMOUNT** – Except in Guam, American Samoa, Northern Mariana Islands, Marshall Islands, Micronesia, and the Trust Territory of the Pacific Islands (Palau), the weekly DUA amount is the greater of the following: (1) the amount of the average weekly regular UI payment (including allowances for dependents) in the state in which the major disaster occurred; or (2) the weekly amount to which the individual would have been entitled under the state law for a week of total unemployment had all his or her work and wages been included as employment and wages under such state law.

**DEDUCTIONS** – The DUA payable to an individual for a week is reduced by the amount of any of the following that an applicant has received for the week or would receive for the week if he or she filed a claim: (1) any compensation or insurance from any source for loss of wages due to illness or disability; (2) supplemental unemployment benefits (SUB) pursuant to a collective bargaining agreement; (3) worker's compensation by virtue of death of head of household; and (4) the amount of retirement pension or annuity under a public or private retirement plan or system if such amount is deductible under the state law. In addition, the weekly DUA amount is reduced by the amount of wages that the individual earns in a week as determined by applying to the wages the earnings allowance for partial or part-total unemployment prescribed by the applicable state law.