

Wisconsin Budget Project

Federal Unemployment Benefits Program – Fact Sheet

What is the federal extended unemployment benefits program?

The federal unemployment benefits program is known as Temporary Extended Unemployment Compensation (TEUC). Eligible claimants who exhaust their state benefits (of up to 26 weeks) are automatically converted to TEUC and can receive up to 13 weeks of federally funded benefits (assuming they are still unemployed and still actively looking for work). The current program began on March 10, 2002, and is scheduled to end on December 21, 2003.

What has this program meant for Wisconsin?

Since March 2002, the TEUC program has helped over 73,000 Wisconsin families and has pumped more than \$287 million into the Wisconsin economy.

(Source: National Employment Law Project)

What happens if Congress does not extend the program this week?

Monday and Tuesday of this week is the last time Congress will be in session until January 20 (see the table below). If the current TEUC law is not extended this week, jobless workers whose regular unemployment benefits expire on or after December 21, 2003, will no longer be able to get into the program. Unemployed workers who qualify for the TEUC program before December 21 will be able to continue to receive TEUC benefits for up to 13 weeks.

(Source: Dept. of Workforce Development -- <http://www.dwd.state.wi.us/ui/extended.htm>)

How many people will be affected if the TEUC program ends on December 21?

The national Employment Law Project estimates that expiration of the program in December would mean that nearly 400,000 workers each month would exhaust their regular unemployment benefits without being eligible for the extended federal benefits that have traditionally been provided during periods of high long-term unemployment. That number would grow to more than two million workers over the next six months. It would mean the loss of unemployment benefits for more than 7,000 jobless Wisconsin workers in January and more than 46,000 from January through June.

Is unemployment still a problem?

Even after the modest increases in employment over the last several months, the national unemployment rate is 5.9 percent. That's higher than it was when Congress voted in March 2002 to initiate the TEUC program and in January 2003 when Congress voted to extend it. The economy has lost 2.35 million jobs since the recession began in March 2001.

(Source: National Employment Law Project press release, Dec. 5, 2003

<http://www.nelp.org/news/pressreleases/prui120503.cfm>)

What about long-term unemployment?

The TEUC program is especially important during periods of high long-term unemployment, when many jobless workers exhaust their regular unemployment benefits (of up to 26 weeks) without being able to find new jobs. In November, the long-term unemployment rate surpassed a 20-year high. The most recent data showed that about 365,000 workers per month are losing their regular benefits, which is the same level as in May 2003 when the TEUC program was last extended.

(Source: National Employment Law Project press release, Dec. 5, 2003

<http://www.nelp.org/news/pressreleases/prui120503.cfm>)

Sequence of Events if the TEUC Program Is Allowed to Expire

December 8, 2003	House in session.
December 9, 2003	Senate in session.
December 20, 2003	Last day an unemployed worker can exhaust regular unemployment benefits and still qualify for TEUC benefits.
December 21, 2003	Unemployed workers who exhaust their regular benefits from this day forward no longer qualify for TEUC.
January 20, 2004	Congress returns.
January 31, 2004	Roughly 500,000 jobless workers will have exhausted their regular benefits but not qualified for TEUC aid.

(Source: Center on Budget and Policy Priorities, Dec. 5, 2003)

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