Jane Walstedt: Now I’d like to ask Gail Patterson-Shipp, a member of the team that plans our Wi$eUp teleconference calls, to introduce our second speaker. Gail...

Gail Patterson-Shipp: Thank you, Jane. Stephanie Garcia is our second speaker. Stephanie is Team Leader, State and Federal Programs, Division of Unemployment Insurance Operations, Office of Workforce Security, Employment and Training Administration of the US Department of Labor. She has a BA in English, an MS in Instructional Design and Technology, and 16 years of combined state and federal experience in the Unemployment Insurance program. Welcome, Stephanie.

Stephanie Garcia: Thank you so much, Gail. Good afternoon, ladies and gentlemen.

I’m going to talk to you today about Unemployment Insurance, which is a type of social insurance. And I’m going to go over a lot of concepts, so bear with me, and if you have any questions, I’m sure we could talk to you or refer you to other sites that would go over more details about it.

Basically, unemployment insurance encompasses…it’s an entitlement. It’s not necessarily a needs-based type of insurance. Just like any social insurance, it encompasses broad-based systems for insuring workers and their families against economic insecurities we’re all feeling at this time caused by loss of income from work and the cost of health care, for example.

In the US, types of social insurances could be, like, Social Security, Medicare, workers’ compensation, et cetera. It is… unemployment insurance is a federal and state partnership, meaning it is based on federal law, but it is administered
by states under their own state law. We get this question a lot. We do, as the federal government, have oversight, but all the laws about how to administer it are really according to state law.

In general, unemployment insurance provides unemployment benefits to eligible workers who lose their jobs through a non-disqualifying reason like a layoff or some other compelling reason, depending on state law. It’s really provided to people as a temporary financial relief, and they have to still meet the requirements of state law. They…each state really administers a separate unemployment insurance program within the guidelines of what we put out here in the DOL, and all eligibility for the unemployment insurance benefit amount, like the time [the length of time during which a recipient can receive benefits], et cetera, is according to the state.

As an economy industrializes there is a greater risk of cyclical unemployment. It’s usually paid out during times of recession. We see a massive surge of that. And then in times of good economics we tend to save all that [unemployment insurance money] in a trust fund kind of system.

It - unemployment insurance--stabilizes the economy by maintaining purchasing power. If we give out benefits to people, they would tend to put it back into the economy by purchasing goods and then also putting back things in the social insurance.

Okay. In general, to be eligible for benefits, jobless workers really must demonstrate a prior workforce attachment. There’s certain criteria. You have to have worked for a certain length of time. Usually it’s an 18-month period prior to applying. You have…claimants have to be able and available for work, because that is a key requirement in the states.
And they have to be able to search for work. A lot of the states differ in their work search requirements, but basically you have to be able to show tangible evidence upon request that you are actively seeking work and are willing and able to work in your normal occupation. And some states do require that you register with the employment service for that state.

I’m just going to go over some of the unemployment insurance programs that we have, because we do have a varied audience. We have the unemployment insurance for federal employees, and that’s totally federally-paid. And obviously, the unemployment compensation for ex-service members - that’s for the military--that the Department of Defense pays. We do have the extended benefits program for states with high unemployment. Some of your states probably now you’re experiencing extended benefits. And disaster unemployment assistance. This is a special program for individuals in disaster areas declared by the President. We also have the Trade Readjustment Allowance Program for workers unemployed because of US trade policies.

And then we have the Self-Employment Assistance Program. These are special voluntary state programs in a few states for workers starting a business. This doesn’t necessarily mean that you are provided funds to start up your own business, but the work search requirement is waived if you are able to show that self-employment is a better avenue for you to start.

Currently the states that operate this are the states of Delaware, Maine, Maryland, New Jersey, New York, Oregon, and Pennsylvania. So if you belong to any of those states and then you want to explore self employment options, you may be able to collect your unemployment insurance while pursuing self-employment activities.

I’m just going to talk a little bit about the connection with re-employment, because that is one of the key factors in the unemployment insurance program.
The federal government, as well as the state governments, does identify claimants who are likely to exhaust their benefits and need re-employment services.

So I’m putting in a plug for all the One-Stop Career Centers out there that each state operates, because it’s a resource that is under-utilized. And it really serves a great need in the community right now as far as, for example, all your job search needs--resume writing, skills assessment, training, referrals, et cetera.

So if you’re interested in that, I would suggest that you go to your local state employment service office or go to your One-Stop Career Centers. You could either call 1-877-US2-JOBS. And then I will definitely let the Women’s Bureau folks know the couple of very useful links for you to go to, like www.ServiceLocator.org or [www.govbenefits.gov], which have a variety of resources that you could take in and then help you with different customized individual needs for benefits.

I was asked this afternoon to go over a little bit about the American Recovery and Reinvestment Act that’s been in the news a lot lately, because it does have a bunch of things in it for the unemployment insurance program. And basically I am going to talk about seven key points. I’m just going to go over briefly the ones that actually are more state-oriented rather than individual benefits-oriented. Those of you who are interested in that, I’ll give you a little bit of an overview.

Basically the seven items that are encompassed in that particular…the ARRA, the American Recovery and Reinvestment Act, are the Emergency Unemployment Compensation, which a lot of the states are participating in now; Federal Additional Compensation Program - and I’m going to go over these individually; the modernization incentive payments to states; there’s
also a $500 million [special administrative] distribution; the temporary federal funding for the extended benefits program; waiver of interest on loans to states to pay unemployment insurance; and then the temporary suspension of Federal income tax on unemployment insurance.

So I’ll go over the first one. Basically the Emergency Unemployment Compensation started actually last summer. And it’s for the people who are qualified and were already on unemployment on a certain date. They were eligible for extended Emergency Unemployment Compensation. So…and the phase-out for that one--that program--was extended to December 31, 2009. So theoretically, the people who can file for that, they can file through May 31, 2009. That’s the phase-out date.

The Federal Additional Compensation [Program] had added an additional $25 to all weekly unemployment compensation for the people who are already on the Emergency Unemployment Compensation, through January 1, 2010.

So for all of these programs, if you have an interest in finding out more about whether you qualify or not or you’re entitled to them, I would strongly urge you to either check out the state Web site or actually call them directly to see if you qualify.

The Modernization Incentive payments, those are basically…it’s a $7 billion distribution to states that have certain eligibility provisions in their laws. The key factor to remember in this is they have to--states have to--change their laws to be able to acquire these moneys. The Federal government is only saying, “These are available to you.” The states…but the states have to show proof that they’ve actually changed their law to get this money. And that’s a very confusing thing out there, because it’s still…it’s relying on the states to do that.
State UI laws -- or Unemployment Insurance laws -- must contain at least two of the following four provisions, and these…for example, for part-time work. Not all states allow part-time work for their claimants.

- Easing qualifying requirements, for example for workers who quit for the following family reasons: taking care of sick family members, domestic violence, following a spouse who moves to another job.

- Also extending benefits to workers in training who exhaust regular Unemployment Insurance. Not all states allow claimants to collect their unemployment while they’re in training.

- And then adding dependents’ allowances to weekly benefits. Not all states have that. At the current moment I believe Massachusetts is one of the states that has a dependents’ allowance that’s added onto their Unemployment Insurance benefits.

And of course states must use more recent wages to establish eligibility. Everybody has different base period requirements, so the federal government is saying, “You need to have alternate base periods to establish eligibility.”

[Editor’s Note: The base period refers to State requirements for wages earned or time worked during an established period of time. In most States, this is usually the first four out of the last five completed calendar quarters prior to the time that your claim is filed.]

If the states alter their rules or their regulations to accommodate at least these things, they would be able to partake of that - part of that $7 billion distribution.

The fourth item for the American Recovery and Reinvestment Act is the $500 million special administrative distribution to the states. This is also part of the
states’ trust account or their Unemployment Trust Fund. It’s transferred to the states for immediate use so that they can modernize their benefit and tax operations and their staff-assisted reemployment services.

The…also there’s a temporary 100% federal funding for the Extended Benefits program that the federal government is doing. Extended Benefit programs are usually a 50/50 share. The states pay 50% of the benefits from their funds and then the federal government pays 50%. But because of this part of the Recovery Act, the Federal government is paying 100% of the Extended Benefits so that the states don’t have to draw so much from their account.

The last two…again, the…it’s state oriented. There’s…when states have to borrow from the Federal government--if they’re going to exhaust their funds for example--there’s interest obviously on those loans, because they’re just…they’re regular loans. So they’re not going to…because of the Recovery Act, they’re [the loans are] not going to accrue interest. They’re [the interest is] going to be waived until December 31, 2010.

And then the last thing in that itemized list for the Recovery Act is a temporary suspension of Federal income tax on unemployment insurance. So for the first $2400 of unemployment compensation benefits that a claimant receives, it’s not even going to be taxable for the 2009 [tax] year.

So those are basically the provisions for the Recovery Act. And again, when in doubt, if you want to know if you’re qualified or if you’re entitled to any of these services that are available to you, you need to contact your local or state agency or go on their Web site or call their 800 number. Most states now file [accept] claims over the phone or via Internet. There’s some states that still do in-person claim intakes, but most states now are on the Web and have modernized.
Jane Walstedt: Stephanie, isn’t there a link on your Web site to the state agencies?

Stephanie Garcia: Yes, ma’am. It’s…and then they could also go to www.servicelocator.org, which lists all the states, and then you could just choose from that menu of items. And you could also look at different provisions in their state laws, et cetera, on that.

Jane Walstedt: So your Web site, can you give our listeners the site to where they could go?

Stephanie Garcia: Oh, sure. Let me see here. I will go over here right now. Yes, well all of the things that you wanted to learn about Unemployment Insurance, you can go to http://ows.doleta.gov. And there’s many menu items there. And it will also link you to the different state agencies. And then to go there, you could go to www.servicelocator.org/OWSLinks.asp [which features a map and links to each state’s unemployment insurance program].

Jane Walstedt: Great.

Stephanie Garcia: Okay.

Jane Walstedt: Thank you.

Stephanie Garcia: No problem.

Jane Walstedt: I’m sorry. I didn’t mean to cut you off. Are you through with your remarks?

Stephanie Garcia: Yes, ma’am.

Jane Walstedt: Thanks, Stephanie.