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## Newly Laid-Off Workers Could Face Major Cuts in Unemployment Insurance

### Workers Filing Jobless Claims from July Onward Could Receive Just 26 Weeks Unemployment Insurance If Congress Fails to Reauthorize Federal Programs

Washington, DC – July marks a critical turning point for America’s unemployed: individuals laid off this month or anytime later this year could see a significant cut in unemployment insurance if Congress allows the federal unemployment insurance programs to expire at the end of the year. Without reauthorization of the federal extensions, workers who file new jobless claims in July or thereafter could receive a maximum of just 26 weeks of state unemployment insurance – and have no federal support to turn to if they are still looking for work at the end of that time. As of May, 45 percent of the unemployed were out of work for six months or more.

The [National Employment Law Project released a new fact sheet](#) today explaining the stark cut-offs thousand of newly laid-off jobseekers could face early next year if the federal unemployment insurance programs are not renewed.

“The clock is already ticking for newly laid-off workers who don’t know if they’ll have a job or even unemployment insurance six months from now. With long-term unemployment still at record highs, Congress is going to have to reauthorize these federal programs soon or else the lack of any federal support to the jobless will take a major toll on families and the economy,” said **Christine Owens, executive director of the National Employment Law Project.**

July 2011 marks the first month since July 2008 in which workers who lose their jobs are not guaranteed federal unemployment insurance if they are still unemployed at the end of the year. Under the expiring federal programs, workers unable to find jobs after exhausting their regular state unemployment insurance are eligible for 34 to 73 weeks of federal support, depending on their state.

Individuals laid off and filing a new state UI claim starting the week of July 3, 2011 will generally start exhausting regular state unemployment insurance beginning in January 2012 (assuming they are eligible for 26 weeks, or about 6 months, of state UI, for which they file weekly). As a result of the timing of their job losses, most individuals newly laid off in July 2011 will not establish federal claims prior to the last week of December 2011.

Individuals who started state UI claims prior to the first week of July 2011, including those currently receiving federal unemployment insurance extensions (EUC) who will not have drawn all their remaining weeks of EUC by the end of December 2011, will enter an EUC phase-out starting the first week of January 2012 if Congress does not reauthorize the program. During this phase-out period, jobless workers will finish their current tier of EUC benefits, but will not start their next tier after the week including January 3, 2012.

All EUC payments will stop after June 9, 2012 unless Congress takes further action to keep the program alive. Similarly, in January 2012, most, if not all, states offering an additional 13 to 20 weeks of federal benefits –

known as Extended Benefits, or EB, which follows the weeks available under EUC in high-unemployment states  
– will trigger “off” and stop paying EB during January if Congress takes no action to change EB rules.

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