



## UI and ARRA



- 1. Extension of EUC 08**—The federally funded Emergency Unemployment Compensation program was scheduled to expire with claims filed before March 31, 2009 with a phase out period through August 27, 2009. The stimulus legislation lengthened this program to expire with EUC claims filed on or before the week ending December 26, 2009 with a phase out period through the week ending June 5, 2010.
- 2. Federal Additional Compensation (FAC)**—This program pays claimants receiving regular UI, EUC 08, Trade Readjustment Allowances, Disaster Unemployment Assistance, or Extended Benefits an additional \$25 per week. The program is effective for claims filed on or before the week ending December 26, 2009 with a phase out period through the week ending July 3, 2010. The first payable week was the week ending February 28 and DWS started making the payments on March 5.
- 3. Waiver of Federal Income Tax**—Waiver of federal income tax on the first \$2400 of UI benefits paid during tax year 2009. Local offices are advising claimants of this stimulus provision as they file claims.
- 4. Special Distribution of UI Administration Funds**—Arkansas received \$4.2M under this distribution. There is no time limit on spending the funds. Funds may only be spent on: Improving UI benefit and tax operations; Reemployment Services; Administration of UI Modernization; and outreach to claimants that may become eligible for benefits under UI Modernization.
- 5. Federal Funding of Extended Benefits Program**—Each state has its own Extended Benefits program that is funded 50% by the state and 50% by the federal government. Under the stimulus legislation the federal government will pay 100% of the costs for EB claims filed on or before the week ending December 26, 2009, with a phase out through the week ending June 5, 2010. Arkansas' EB program triggered on with an effective date of April 12 and will end with the week ending July 11, 2009.
- 6. Waiver of Interest on Title XII Advances**—Waives interest on Title XII advances through 2010. Arkansas will save approximately \$5M in interest costs in 2009 due to this legislation. In addition, it will keep the .2% Advance Interest Tax from triggering on until April 2011.
- 7. UI Modernization**—Basic concept is to pay states to adopt an alternate base period that incorporates the most recently completed quarter when claimants cannot qualify under our normal base period (first four of the last five completed quarters). States must also adopt 2 of 4 other provisions: (1) part time work eligibility; (2) no disqualification if separated for domestic violence, need to care for a family member, move with spouse; (3) dependent's benefits; (4) state funded training benefits. Via Act 802 Arkansas adopted the alternate base period and #s 1 and 2. Adopting these changes will result in approximately \$5.75M in additional benefit payments per year.