

N E W S R E L E A S E

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California economy improves, but rebound leads to more cuts in federal extension benefits for the unemployed

SACRAMENTO – As California’s economy continues to rebound from the recession, the California Employment Development Department (EDD) is warning long-term unemployed individuals that they may no longer be eligible for the last tier in federal unemployment extension benefits. That’s because California’s unemployment rate is on track to dip below a three-month average of 9% – the minimum level required by federal guidelines in order to provide the final ten weeks of additional benefits associated with a Tier 4 federal extension.

With the solid trend in declining unemployment, the EDD anticipates receiving official notification from the U.S. Department of Labor (DOL) on Friday, July 19, 2013, when the state’s unemployment rate for June will be released. Such notification will mean that any claimant who would have filed a Tier 4 extension on August 11, 2013, or later, will not be eligible for Tier 4 benefits.

Anyone starting a Tier 4 extension *prior* to August 11th and who continues to remain otherwise eligible will be allowed to collect the remainder of their Tier 4 extension benefits until exhausted or December 28, 2013 – whichever comes first. Tier 4 benefits have been available after someone runs out of their regular state-provided benefits of up to 26 weeks and then Tiers 1, 2 and 3 of federal extension benefits.

“The EDD knows just how vitally important unemployment benefits can be to out-of-work Californians and their families,” said EDD Chief Deputy Director Sharon Hilliard. “While we await final word on the state’s latest unemployment rate, the trend in declining unemployment indicates we will lose our ability to offer Tier 4 extension benefits. We want to make sure that our customers have as much warning as possible about reduced benefits so they can plan their personal finances accordingly.”

The EDD estimates that more than 100,000 Californians are currently collecting benefits as part of the Tier 3 federal extension and will be the first to be impacted by the loss of Tier 4 eligibility. Once we receive notification from the DOL, the EDD will send a letter to these individuals advising them that Tier 4 benefits are no longer available. Claimants on extension Tiers 1 and 2 could also eventually be impacted.

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In addition, Californians collecting Unemployment Insurance (UI) benefits should be aware that all tiers of federal extension benefits are set to expire at the end of 2013. Unless the U.S. Congress makes any further changes, on December 29th the maximum amount of unemployment benefits available to Californians will return to the up to 26 weeks of benefits available under a regular UI claim. At the peak of the recession, up to 99 weeks of benefits were available through a combination of state and federal extension benefits.

Federal extension benefits first became available in California back in July 2008. As the recession lengthened the experience of joblessness, the federal government provided four different tiers of extension benefits, on top of a separate FED-ED extension of benefits, to unemployed individuals who ran out of their regular state-provided benefits. The availability of the federal benefits all depended on how high a particular state's unemployment rate was.

California's declining unemployment rate already resulted in the state losing eligibility for the FED-ED extension benefits in May 2012. Now, barring a large increase in the state's June unemployment rate that will be announced on Friday, July 19, the state will lose eligibility for Tier 4 federal extension benefits. The state's unemployment rate has been steadily falling for a couple of years, down from the recessionary peak of 12.4%, and in May dropped to 8.6%.

We encourage our UI customers to monitor our EDD website (www.edd.ca.gov), [Facebook](#) and [Twitter](#) pages for updates on the federal extensions. Notices sent to customers and the EDD website also include information and references to other government resources (e.g., welfare assistance, etc.) to further assist long-term unemployed individuals.

Current Benefits Status

Currently, there are more than 750,000 people certifying for unemployment benefits in California. Almost half of these individuals are collecting on a federal extension claim while the remainder are somewhere in the midst of a regular unemployment claim.

Between regular and federal extension benefits, the EDD paid a total of \$13.8 billion in unemployment benefits for calendar year 2012 and \$5.8 billion so far this year (as of June 2013). These benefits provide critical sustenance to unemployed workers and their families, in addition to local businesses, where much of the benefits are spent on basic needs.

Tier 4 federal extension benefits first became payable in California in February 2010. Since then, the EDD has processed more than \$3 billion in Tier 4 benefits for long-term unemployed individuals in the state.

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Projected UI Extended Benefit Duration and Claim Deadlines

The following is a projected breakdown of federal extension benefits available in California, along with filing deadlines once Tier 4 extensions come to an end:

PROJECTED Federal Unemployment Benefit Extensions Potential Maximum Weeks Of Benefits Provided							
Claim/ Extension Filing Date	Feb. 19, 2012 – May 6, 2012	May 13, 2012 – May 20, 2012	May 27, 2012 – Aug. 26, 2012	Sep. 2, 2012 – Aug. 4, 2013	Aug. 11, 2013 – Dec. 22, 2013	Claim/ Extension Filing Deadline Date	Last Payable Week Ending Date
Regular Claim	Up to 26 weeks	Up to 26 weeks	Up to 26 weeks	Up to 26 weeks	Up to 26 weeks	Once someone becomes unemployed	Once someone collects all available benefits or the claim ends, whichever occurs first
Tier 1	Up to 20 weeks	Up to 20 weeks	Up to 20 weeks	Up to 14 weeks	Up to 14 weeks	Dec. 22, 2013	Dec. 28, 2013*
Tier 2	Up to 14 weeks	Up to 14 weeks	Up to 14 weeks	Up to 14 weeks	Up to 14 weeks	Dec. 22, 2013	Dec. 28, 2013*
Tier 3	Up to 13 weeks	Up to 13 weeks	Up to 13 weeks	Up to 9 weeks	Up to 9 weeks	Dec. 22, 2013	Dec. 28, 2013*
Tier 4	Up to 6 weeks	Up to 16 weeks	Up to 6 weeks	Up to 10 weeks	0 weeks	Aug. 4, 2013	Dec. 28, 2013*
Separate FED-ED	Up to 20 weeks	0 weeks	0 weeks	0 weeks	0 weeks	May 6, 2012	May 12, 2012
TOTAL	Up to 99 weeks	Up to 89 weeks	Up to 79 weeks	Up to 73 weeks	Up to 63 weeks		

**There are special claims that have a week ending date other than Saturday. In those cases, benefits may be payable for the week ending January 1, 2014.*