

N E W S R E L E A S E

News Release No.: 13-68

Date: September 27, 2013

**Federal sequestration to end for new unemployment extensions beginning September 29**

**SACRAMENTO** – The federal government’s automatic spending cuts, known as sequestration, which have reduced federal unemployment extension benefits for Californians, will be phased out for new federal extensions beginning September 29, 2013, according to the California Employment Development Department (EDD). Sequestration has reduced unemployment extension benefits by 18 percent since April.

“The restoration of federal unemployment benefits back to pre-sequestration amounts will be a welcome relief to our customers,” said EDD Chief Deputy Director Sharon Hilliard. “Every dollar counts for those who have lost their jobs and rely on federal unemployment benefits for their living expenses.”

Currently there are three tiers of federal extensions available to unemployed Californians, providing up to 37 additional weeks of benefits on top of the 26 weeks of regular state-provided unemployment benefits.

The federal sequestration cuts will be phased out in California over the next few months. Anyone beginning a federal extension, or starting any new tier of federal extension benefits with an effective date on or after September 29, will be eligible for the full benefit amount without any reduction. The current weekly benefit amount and the maximum benefit amount customers are eligible to receive on an extension will be increased by 17.69 percent.

Customers collecting benefits on a current federal extension tier with an effective date beginning on or after April 28, 2013, and prior to September 29, will continue to see sequestration cuts to benefits until their current tier ends and they become eligible for the next federal extension tier filed with an effective date of September 29 or after. This approach will help ensure that California meets its federal obligation for total reductions in extension payments by the end of the year.

(more)

After each federal extension tier claim is filed, the EDD mails a notice to the claimant providing the effective date of the extension and the benefit amounts available. EDD encourages individuals to review this notice.

Federal officials have notified EDD that a potential federal government shutdown beginning October 1, 2013, should not affect the availability and payment of federal extension benefits through the 2013 calendar year.

**However, Californians collecting unemployment benefits should be aware that under current federal law ALL tiers of federal extension benefits are set to expire at the end of 2013.**

The restored federal benefit amounts do not affect the up to 26 weeks of regular state-provided unemployment benefits as state benefits were not reduced due to sequestration. However, federal administrative funding that California relies on to provide unemployment services does continue to suffer federal sequestration cuts impacting available staffing and service levels.

The EDD paid \$17.1 billion in federal and state unemployment benefits in 2011 and \$13.7 billion in 2012, which equates to about \$264 million a week – about half of that in federally-paid extension benefits.

The EDD will continue to closely monitor all developments regarding federal extension benefits and encourages its customers to watch for updates over the next several months on the EDD website at [www.edd.ca.gov](http://www.edd.ca.gov) and on its [Facebook](#) and [Twitter](#) pages.

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