

The Emergency Extended Unemployment Compensation Act (HR 5749)

Introduced by Representatives Jim McDermott and Phil English

- Upon enactment, the legislation would provide up to 13 weeks of extended unemployment benefits in *every State* to workers exhausting regular unemployment compensation.
- In States with higher levels of unemployment, an additional 13 weeks would be available (for a total of 26 weeks of extended benefits). For this purpose, high unemployment would be defined as a seasonally-adjusted six percent total unemployment rate or a four percent insured unemployment rate.
- The extended benefits program would be in effect through January 2009 (any individual receiving extended benefits before the program terminates would receive their entire 13 weeks).
- All benefits would be paid out of the federal unemployment trust funds (which now have over \$35 billion in reserves).
- This structure is very similar to the Temporary Extended Unemployment Compensation (TEUC) program established in 2002 in response to the last recession.
- The Congressional Budget Office (CBO) preliminarily estimates this bill would provide \$12.7 billion in extended unemployment benefits.
- CBO projects that roughly 3.5 million jobless workers will exhaust their regular unemployment benefits in 2008. The extended benefits provided in this legislation would greatly assist these workers and their families, especially with rising gas and food costs. The average unemployment benefit provides \$286 a week.