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Unemployment Insurance: Available Unemployment Benefits and Legislative Activity

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Summary

A variety of benefits may be available to unemployed workers to provide them with income support during a spell of unemployment. When eligible workers lose their jobs, the Unemployment Compensation (UC) program may provide income support through the payment of UC benefits. Certain groups of workers who lose their jobs on account of international competition may qualify for additional or supplemental income support through Trade Adjustment Act (TAA) programs. UC benefits may be extended at the state level by the Extended Benefit (EB) program if certain economic situations within the state exist. *As of this writing, the EB program is not currently triggered "on" in any state*. The EB program for Louisiana triggered "off" on February 25, 2006. Unemployed Louisiana workers who exhausted their regular UC benefits before February 25, 2006, were eligible for 13 weeks of EB; unemployed Louisiana workers who exhausted their regular UC benefits after February 25, 2006, were not eligible for the EB program. During some economic recessions, Congress has created a federal Temporary Extended Unemployment Compensation (TEUC) program. These programs generally have extend UC benefits for an additional 13 weeks and have an expiration date. *As of this writing, no TEUC program exists and these benefits are not available*.

If an unemployed worker is not eligible to receive UC benefits and the worker's unemployment may be directly attributed to a declared major disaster, a worker may be eligible to receive Disaster Unemployment Assistance (DUA) benefits. The disaster declaration will include information on whether DUA benefits are available.

The 109th Congress considered many bills intending to mitigate the impact of Hurricane Katrina.

P.L. 109-91, the QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005, Section 201, created a special Unemployment Trust Fund (UTF) transfer from the Federal Unemployment Account (FUA) for FY2006 to the state UTF accounts of Alabama ($15 million), Louisiana ($400 million), and Mississippi ($85 million). Section 202 of the law allows administrative funds received by any state to be used to assist in the administration of claims for compensation on behalf of any other state if that other state was declared a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

P.L. 109-176, the Katrina Emergency Assistance Act of 2006, extended DUA benefits for persons eligible for DUA benefits under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina for an additional 13 weeks.

This report will be updated as legislative events warrant.

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Unemployment Insurance: Available Unemployment Benefits and Legislative Activity

Introduction

A variety of benefits may be available to unemployed workers to provide them with income support during a spell of unemployment. The cornerstone of this income support is the joint federal-state Unemployment Compensation (UC) program, which may provide income support through the payment of UC benefits. Other programs that may provide workers with income support are more specialized. They may target special groups of workers, be automatically triggered by certain economic conditions, be temporarily created by Congress with a set expiration date, or target typically ineligible workers through a disaster declaration.

Certain groups of workers who lose their jobs because of international competition may qualify for additional or supplemental income support through Trade Adjustment Act (TAA) programs or (for certain workers 50 years old and older) the Alternative Trade Adjustment Act (ATTA) program.

UC benefits may be extended at the state level by the Extended Benefit (EB) program if certain economic situations within the state exist. *As of this writing, no EB program is triggered "on" in any state.* During some economic recessions, the federal government has created a federal Temporary Extended Unemployment Compensation (TEUC) program. These programs generally extend UC benefits for an additional 13 weeks and have an expiration date. *As of this writing, no TEUC program exists and these benefits are not available.*

If an unemployed worker is not eligible to receive UC benefits and the worker's unemployment may be directly attributed to a declared major disaster, a worker may be eligible to receive Disaster Unemployment Assistance (DUA) benefits. The disaster declaration will include information on whether DUA benefits are available.

This report describes these five kinds of unemployment benefits — regular UC, TAA, EB, TEUC, and DUA. The report explains their basic eligibility requirements, benefits, and financing structure.

Unemployment Compensation (UC)

UC is a joint federal-state program financed by federal taxes under the Federal Unemployment Tax Act (FUTA) and by state payroll taxes under the State Unemployment Tax Acts (SUTA). The underlying framework of the UC system is contained in the Social Security Act (the act). Title III of the act authorizes grants to states for the administration of state UC laws, Title IV authorizes the various components of the federal Unemployment Trust Fund (UTF), and Title XII authorizes advances or loans to insolvent state UC programs.

The U.S. Department of Labor (DOL) administers the federal portion of the UC system, which operates in each state, the District of Columbia, Puerto Rico, and the Virgin Islands. Federal law sets broad rules that the 53 state programs must follow. These include the broad categories of workers that must be covered by the program, the method for triggering the EB program, the minimum upper state unemployment tax rate to be imposed on employers (5.4%), and how the states will repay UTF loans. If the states do not follow these rules, their employers may lose a portion of their state unemployment tax credit when their federal unemployment tax is calculated. The federal tax pays for both federal and state administrative costs, the federal share of the EB program, loans to insolvent state UC accounts, and state employment services.

The UC system helps counter economic fluctuations. When the economy grows, UC program revenue rises and program spending falls, thereby slowing economic growth. In a recession, program revenue falls and program spending rises, stimulating the economy.

UC Eligibility

States Set Most of the Eligibility Rules. The UC system pays benefits to covered workers who become involuntarily unemployed for economic reasons and meet state-established eligibility rules. The UC system generally does not provide UC benefits to the self-employed, to those who are unable to work, or to those who do not have a recent earnings history.

States usually disqualify claimants who lost their jobs because of inability to work or unavailability for work, who voluntarily quit without good cause, who were discharged for job-related misconduct, who refused suitable work without good cause, or a labor dispute. To receive UC benefits, claimants must have enough recent earnings to meet their state's earnings requirements.

In summary, to be eligible to receive UC benefits a worker must

- have lost a job through no fault of his or her own,
- be actively searching for work,
- be able to work, and
- have had a minimum number of weeks worked and/or number of quarters worked recorded in the previous five quarters, and/or

- have earned a minimum amount of wages in a quarter and/or for five quarters.

UC Benefit Determination and Duration

Generally, benefits are based on wages for covered work over a 12-month period. Most state benefit formulas replace half of a claimant's average weekly wage up to a weekly maximum. **Table 1** lists the minimum and maximum UC benefits for each state. Weekly maximums in January 2006 ranged from $210 (Mississippi) to $528 (Massachusetts) and, in states that provide dependent's allowances, up to $778 (Massachusetts). In FY2005, the average weekly benefit was $263. Benefits are available for up to 26 weeks (30 weeks in Massachusetts). The average regular UC benefit duration in FY2005 was 15.3 weeks.[1]

Table 1. State Unemployment Compensation Benefits Amounts, January 2006

	Minimum Weekly UC Benefit Amount	Minimum If Dependent's Allowance	Maximum Weekly UC Benefit Amount	Maximum If Dependent's Allowance
Alabama	$45		$220	
Alaska	$44	$68	$248	$320
Arizona	$60		$240	
Arkansas	$68		$382	
California	$40		$450	
Colorado	$25		$421	
Connecticut	$15	$30	$465	$540
Delaware	$20		$330	
District of Columbia	$50		$359	
Florida	$32		$275	
Georgia	$40		$300	
Hawaii	$5		$459	
Idaho	$51		$322	
Illinois	$51	$57	$350	$475
Indiana	$50		$390	
Iowa	$48	$58	$324	$398
Kansas	$93		$373	
Kentucky	$39		$365	
Louisiana	$10		$258	
Maine	$54	$81	$313	$469

[1] A federal-state extended benefits (EB) program offers benefits for an additional 13 to 20 weeks in states with unemployment rates above certain levels. The EB program is discussed later in this report.

	Minimum Weekly UC Benefit Amount	Minimum If Dependent's Allowance	Maximum Weekly UC Benefit Amount	Maximum If Dependent's Allowance
Maryland	$25	$65	$340	
Massachusetts	$29	$43	$528	$778
Michigan	$81	$111	$362	
Minnesota	$38		$515	
Mississippi	$30		$210	
Missouri	$48		$270	
Montana	$98		$346	
Nebraska	$30		$288	
Nevada	$16		$346	
New Hampshire	$32		$372	
New Jersey	$73	$84	$521	
New Mexico	$62	$75	$312	$360
New York	$40		$405	
North Carolina	$36		$442	
North Dakota	$43		$340	
Ohio	$96		$343	$462
Oklahoma	$16		$317	
Oregon	$101		$434	
Pennsylvania	$35	$43	$497	$505
Rhode Island	$62	$112	$477	$596
South Carolina	$20		$303	
South Dakota	$28		$266	
Tennessee	$30		$275	
Texas	$55		$336	
Utah	$25		$383	
Vermont	$57		$385	
Virginia	$54		$330	
Washington	$112		$496	
West Virginia	$24		$380	
Wisconsin	$51		$341	
Wyoming	$24		$330	

Source: Congressional Research Service (CRS) table compiled from *Significant Provisions of State Unemployment Insurance Laws, January 2006*, U.S. Department of Labor, Employment and Training Administration, at [http://www.ows.doleta.gov/unemploy/sigprojan2006.asp].

UC Benefit Financing: Unemployment Taxes on Employers

UC benefits are financed through employer taxes. The federal taxes on employers are under the authority of the Federal Unemployment Tax Act (FUTA), and the state taxes are under the authority given by the State Unemployment Tax Acts (SUTA).

Federal Unemployment Tax Act. If a state UC program complies with all federal rules, the *net* FUTA tax rate is reduced to 0.8% for employers. The 0.8% FUTA tax funds both federal and state administrative costs as well as the federal share of the EB program, loans to insolvent state UC accounts, and state employment services. Federal law defines which jobs a state UC program must cover for the state's employers to avoid paying the maximum FUTA tax rate (6.2%) on the first $7,000 of each employee's annual pay.[2]

Federal law requires that a state must cover jobs in firms that pay at least $1,500 in wages during any calendar quarter or employ at least one worker in each of 20 weeks in the current or prior year. The FUTA tax is not paid by government or nonprofit employers, but state programs must cover government workers and all workers in nonprofits that employ at least four workers in each of 20 weeks in the current or prior year. (States are reimbursed for the expenditures on federal workers by the federal government).

State Unemployment Compensation Tax. States levy their own payroll taxes on employers to fund regular UC benefits and the state share of the EB program. These state UC tax rates are "experience-rated," in which employers generating the fewest claimants have the lowest rates. The state unemployment tax rate of an employer is, in most states, based on the amount of UC paid to former employees. Generally, in most states, the more UC benefits paid to its former employees, the higher the tax rate of the employer, up to a maximum established by state law. The experience rating is intended to ensure an equitable distribution of UC program taxes among employers and to encourage a stable workforce.

State UC revenue is deposited in the U.S. Treasury. These deposits count as federal revenue in the budget. State accounts within the UTF are credited for this revenue. These credits allow Treasury to reimburse states for their benefit payments without annual appropriations, but these reimbursements do count as federal budget outlays.[3]

Table 2 lists each state's taxable wage base and the minimum and maximum tax rate a business might experience. State ceilings on taxable wages in 2006 ranged from the $7,000 FUTA federal ceiling (nine states) up to $34,000 (Hawaii). The minimum rates ranged from 0% (seven states) up to 1.69% (Rhode Island). The maximum rates ranges from 5.4% (14 states) up to 11% (Minnesota).

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[2] For details on state UC taxes and legislation, see CRS Report RS22069, *State Unemployment Taxes and SUTA Dumping*, by Julie M. Whittaker and Steven Maguire.

[3] For details on UC financing, see CRS Report RS22077, *Unemployment Compensation (UC) and the Unemployment Trust Fund (UTF): Funding UC Benefits*, by Christine Scott and Julie M. Whittaker.

Table 2. State Unemployment Taxes: Taxable Wage Base and Rates, January 2006

State	Wages Subject to Tax	Minimum State Unemployment Tax	Maximum State Unemployment Tax
Alabama	$8,000	0.44%	6.04%
Alaska	$28,700	1.21	5.40
Arizona	$7,000	0.02	5.40
Arkansas	$10,000	0.10	10.00
California	$7,000	1.30	5.40
Colorado	$10,000	0.30	5.40
Connecticut	$15,000	0.50	5.40
Delaware	$8,500	0.30	8.20
DC	$9,000	1.30	6.60
Florida	$7,000	0.32	5.40
Georgia	$8,500	0.00	7.02
Hawaii	$34,000	0.00	5.40
Idaho	$29,200	0.48	5.40
Illinois	$11,000	0.30	8.10
Indiana	$7,000	1.10	5.60
Iowa	$21,300	0.00	8.00
Kansas	$8,000	0.07	7.40
Kentucky	$8,000	0.50	9.50
Louisiana	$7,000	0.10	6.20
Maine	$12,000	0.53	5.40
Maryland	$8,500	0.60	9.00
Massachusetts	$14,000	1.12	10.96
Michigan	$9,000	0.06	10.30
Minnesota	$24,000	0.68	11.00
Mississippi	$7,000	0.40	5.40
Missouri	$11,000	0.00	6.00
Montana	$21,600	0.13	6.50
Nebraska	$8,000	0.39	6.76
Nevada	$24,000	0.25	5.40
New Hampshire	$8,000	0.01	6.50
New Jersey	$25,800	0.08	5.40
New Mexico	$17,900	0.03	5.40
New York	$8,500	0.90	8.90
North Carolina	$17,300	0.00	5.70
North Dakota	$20,300	0.49	10.09
Ohio	$9,000	0.50	10.80
Oklahoma	$13,500	0.20	7.30
Oregon	$28,000	1.20	5.40
Pennsylvania	$8,000	0.30	9.20
Rhode Island	$16,000	1.69	9.79
South Carolina	$7,000	1.24	6.10

State	Wages Subject to Tax	Minimum State Unemployment Tax	Maximum State Unemployment Tax
South Dakota	$7,000	0.00	7.00
Tennessee	$7,000	0.30	10.00
Texas	$9,000	0.40	7.64
Utah	$24,000	0.40	9.40
Vermont	$8,000	0.60	5.90
Virginia	$8,000	0.10	6.20
Washington	$30,900	0.47	6.12
West Virginia	$8,000	1.50	7.50
Wisconsin	$10,500	0.00	8.90
Wyoming	$17,100	0.29	8.79

Source: CRS table compiled from *Significant Provisions of State Unemployment Insurance Laws, January 2006*, U.S. Department of Labor, Employment and Training Administration, at [http://www.ows.doleta.gov/unemploy/sigprojan2006.asp].

In FY2005, it is estimated that revenue exceeded outlays. State UTF revenue exceeded outlays from FY1995-FY2000, but outlays significantly exceeded trust fund revenue in FY2001-FY2004. However, in FY2005, UC revenue exceeds total UC outlays. **Table 3** lists the total revenue and outlays associated with the UC program from FY2000 through FY2007 (estimated).

Table 3. Revenue and Spending Associated With Unemployment Compensation, FY2000-FY2007

(in billions of dollars)

	2000	2001	2002	2003	2004	2005	2006[b]	2007[c]
UC revenue, total	**27.1**	**27.8**	**27.5**	**33.2**	**39.3**	**42.2**	**44.5**	**45.2**
FUTA tax	6.9	6.9	6.6	6.5	6.6	6.9	7	7.1
State UC taxes	20.7	20.8	20.9	26.7	32.7	35.4	37.5	38.1
UC outlays, total	**23.7**	**31**	**53.8**	**57.4**	**40.9**	**38.2**	**36.3**	**38.2**
Regular benefits	20.2	27.3	42	42	36.9	34.3	34.7	36.7
Extended benefits	a	a	0.16	0.32	0.16	0	0.2	0.02
Emergency UC	—	—	7.9	11	4.1	—	—	—
Administration	3.5	3.6	3.7	4.1	3.9	3.9	3.8	3.8

Source: U.S. Department of Labor, *UI Outlook*, January 1998-February 2006.

a. Less than $50 million.
b. Estimated for 2006.
c. Estimated for 2007.

Outstanding Loans from the Federal Unemployment Account (FUA). If a state trust fund account becomes insolvent, a state may borrow federal funds. Three states had outstanding balances in borrowed funds from the FUA as of February 16, 2006: Missouri ($238 million), New York ($458 million), and North Carolina ($59 million). Minnesota has requested loan authorization up to $50 million for March and up to $100 million for April.

Trade Adjustment Assistance (TAA): Unemployment Benefit Extensions for Workers Unemployed on Account of International Trade

The TAA program, established by the Trade Expansion Act of 1962 (P.L. 87-794) and now authorized by the Trade Act of 1974 (P.L. 93-618), as amended, extends UC benefits and provides job training for workers dislocated by import competition.[4]

TAA Eligibility

To be certified for TAA eligibility, a group of workers or their former employer petitions the DOL, and DOL investigates whether import competition "contributed importantly" to their job loss or whether their firm has shifted production of similar products to certain countries. The new TAA also extends eligibility to secondary workers whose job loss results from the loss of business with a primary firm. Determinations should be completed within 40 days.

TAA Benefits and Duration

The income support portion of the TAA is a trade readjustment allowance (TRA) benefit. The TRA benefit is identical to the UC benefit the worker would have received under the regular UC program of the worker's state. The TRA benefit is available for 52 weeks, less any weeks in which regular UC or EB benefits are received, plus an additional 52 weeks for claimants still in approved job training after the basic TRA runs out. An additional 26-week extension is available to those in need of remedial education. Therefore, the total period of unemployment benefit receipt for a TAA certified unemployed worker — including regular and extended UC benefits, as well as the TRA benefits — may last as long as 130 weeks.

Other Benefits. A new refundable and advanceable tax credit for 65% of health insurance premiums is available to TAA eligibles for the purchase of insurance through COBRA continuation coverage,[5] high-risk pools, state employee plans, or other means. An allowance of up to $1,250 may be paid to eligible workers who must search for work outside their commuting area. Another $1,250 allowance may be paid for the cost of relocation to another job market.

An alternative TAA (ATAA) for older workers, which replaces up to 50% of the wage difference between the wages in a new job and the old one for up to two years,

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[4] For more information on the TAA program, see CRS Report 94-478, *Trade Adjustment Assistance for Workers: A Fact Sheet*, by Paul Graney.

[5] Under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA, P.L. 99-272), an employer with 20 or more employees must provide those employees and their families the option of continuing their coverage under the employer's group health insurance plan in the case of certain events. For more details on the COBRA benefit, see CRS Report RL30626, *Health Insurance Continuation Coverage Under COBRA*, by Heidi Yacker.

was established by the Trade Act of 2002 (P.L. 107-210). The ATAA program went into effect on August 6, 2003, and is intended to shorten transitions into new occupations or industries without requiring older workers to participate in training programs. Eligibility is limited to those over age 50 whose incomes are less than $50,000 yearly, who work full time, and who find new jobs within 26 weeks after job separation. The total benefit cannot exceed $10,000.

TAA Financing

TRA and ATAA benefits are financed through the Federal Unemployment Benefit Account (FUBA). TRA and ATAA benefit administrative costs are paid from funds appropriated for TAA administration under the State Unemployment Insurance and Employment Services Operations (SUIESO) account.

Extended Benefit (EB) Program

The EB program, established by P.L. 91-373 (26 U.S.C. 3304), may extend UC benefits at the state level if certain economic situations within the state exist. Currently, the EB program is not active in any state. Louisiana was the most recent state to trigger the EB program on October 30, 2005. The EB program for Louisiana triggered "off" on February 25, 2006. Unemployed Louisiana workers who exhausted their regular UC benefits on or after October 30, 2005, and before February 25, 2006, were eligible for 13 weeks of EB; unemployed Louisiana workers who exhausted their regular UC benefits after February 25, 2006, were not eligible for the EB program.

EB Eligibility

The EB program is triggered when a state's insured unemployment rate (IUR)[6] or total unemployment rate (TUR)[7] reaches certain levels. Each state's IUR and TUR are determined by the state of residence (agent state) of the unemployed worker rather than by the state of employment (liable state).

EB Benefits and Duration

The EB program provides for additional weeks of UC benefits, up to a maximum of 13 weeks during periods of high unemployment and up to a maximum of 20 weeks in certain states with extremely high unemployment.

EB benefits on interstate claims are limited to two extra weeks unless both the agent state (e.g., Texas) and liable state (e.g., Louisiana) are both in an EB period.

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[6] The IUR is the ratio of UC claimants divided by individuals in UC-covered jobs.

[7] The TUR is the ratio of unemployed workers to all workers in the labor market.

EB Financing

EB benefits are funded half (50%) by the federal government through its account for that purpose in the UTF; states fund the other half (50%) through their state accounts in the UTF.

Temporary Extended Unemployment Compensation (TEUC) Program (*Currently Expired*)

Federal Temporary Extended Unemployment Compensation Program. Congress acted five times — in 1971, 1974, 1982, 1991, and 2002 — to establish a temporary program of extended UC benefits. None of these programs was in response to a disaster declaration. All of these programs had a termination date, some of which were extended multiple times. *As of this writing, there are no current TEUC programs.*

TEUC Benefits and Duration

These programs generally extend UC benefits for an additional 13 weeks and have an expiration date for when the TEUC program would terminate.

Most recently, the TEUC program[8] was enacted on March 9, 2002, as part of the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147). The TEUC program provided up to 13 weeks of federally funded benefits for unemployed workers who had exhausted their regular UC benefits. In addition, up to an additional 13 weeks were provided in certain high unemployment states that had an IUR of 4% or higher and met certain other criteria (TEUC-X). P.L. 107-147 also provided for a one-time $8 billion distribution to states, known as Reed Act funds.[9] TEUC benefits were payable to individuals who, in addition to meeting other applicable state UC law provisions

- filed an initial claim that was in effect during or after the week of March 15, 2001,
- exhausted regular benefits or had no benefit rights due to the expiration of a benefit year ending during or after the week of March 15, 2001,
- had no rights to regular or extended benefits under any state or federal law, and
- were not receiving benefits under Canadian law.

In addition, individuals must also have had 20 weeks of full-time work, or the equivalent in wages, in their base periods. These temporary benefits ended on

[8] For more information on this program, see CRS Report RS21397, *Unemployment Benefits: Temporary Extended Unemployment Compensation (TEUC) Program*, by Celinda Franco.

[9] For more information on the Reed Act, see CRS Report RS22006, *The Unemployment Trust Fund and Reed Act Distributions*, by Julie M. Whittaker.

December 28, 2002. However, the 108th Congress extended the TEUC program twice (P.L. 108-18 and P.L. 108-26). Thus, TEUC eligibility was possible through the week ending before December 31, 2003, and TEUC benefits were paid through the week of April 3, 2004.

TUEC Financing

Generally, the TEUC programs were fully funded through the federal government.

Disaster Unemployment Assistance (DUA)[10]

DUA benefits were created in 1970 by the Robert T. Stafford Disaster Relief and Emergency Relief Act (the Stafford Act, P.L. 91-606). The Stafford Act authorizes the President to issue a major disaster declaration after state and local government resources have been overwhelmed by a natural catastrophe or "regardless of cause, any fire, flood, or explosion in any part of the United States" (42 U.S.C. 5122(2)). Based on the request of the affected state's governor, the President may declare that a major disaster exists.

The declaration identifies the areas in the state eligible for assistance. The declaration of a major disaster provides the full range of disaster assistance available under the Stafford Act, including, but not limited to, the repair, replacement, or reconstruction of public and nonprofit facilities; cash grants for the personal needs of victim; housing; and unemployment assistance related to job loss from the disaster.

DUA Eligibility

DUA benefits are available to individuals who have become unemployed as a direct result of a declared major disaster. Workers who do not qualify for UC benefits may be eligible for DUA benefits for 26 weeks. *Also, if a worker qualified for fewer than 26 weeks of UC benefits, the worker may qualify for DUA benefits for the remaining weeks if the worker is unemployed for reasons directly attributable to the disaster*. A worker may not receive DUA and UC benefits at the same time.

The DUA regulation defines eligible unemployed workers to include

- the self-employed;
- workers who experience a "week of unemployment" following the date the major disaster began, when such unemployment is a direct result of the major disaster;
- workers unable to reach the place of employment as a direct result of the major disaster and workers who were to begin employment

[10] See CRS Report RS22022, *Disaster Unemployment Assistance (DUA)*, by Julie M. Whittaker for more information on this program.

and who do not have a job or are unable to reach the job as a direct result of the major disaster;
- individuals who have become the breadwinner or major support for a household because the head of the household has died as a direct result of the major disaster; and
- workers who cannot work because of injuries caused as a direct result of the disaster.

DUA Benefit Determination and Duration

When a reasonable comparative earnings history can be constructed, DUA benefits are determined in a similar manner to regular state UC benefit rules. For example, self-employed persons would be expected to bring in their tax records to prove a level of earnings for the previous two years. These records would take the place of the employer-reported wage data for the workers that are used in UC benefit determination. Likewise, workers who would otherwise be eligible for UC benefits except for the injuries caused as a direct result of the disaster that make them unavailable for work would receive DUA benefits of an amount equivalent to what they would have received under the UC system if they were not injured and available to work. *In all cases, workers will receive a DUA benefit that is at least half of the average UC benefit for that state and cannot receive more than the maximum UC benefit available in that state*.

DUA Financing

DUA benefits are federally funded through the Federal Emergency Management Agency (FEMA) and administered by DOL through each state's UC agency. The states report the amount of DUA benefits that were attributable to the disaster. DOL then transfers funds to the states from the Federal Unemployment Benefit and Allowance (FUBA) account. DOL is reimbursed for these funds by FEMA.

Legislative Issues in the 109th Congress

The 109th Congress considered many bills intended to mitigate the impact of Hurricane Katrina on the unemployed. The bills would have extended and supplemented UC benefits and DUA benefits.[11] Congress also considered many bills that would have transferred funds from the federal account within the UTF to certain state accounts.

Congress enacted P.L. 109-91, the QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005 on October 20, 2005. Section 201 of this law created a special Unemployment Trust Fund transfer from the Federal Unemployment Account (FUA) for FY2006 to the state UTF

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[11] For more information on worker assistance for those affected by Hurricane Katrina and on other bills introduced to aid these workers, see CRS Report RL33084, *Unemployment and Employment Programs Available to Workers from Alabama, Louisiana, and Mississippi Affected by Hurricane Katrina*, by Julie M. Whittaker and Ann Lordeman.

accounts of Alabama ($15 million), Louisiana ($400 million), and Mississippi ($85 million). Section 202 allowed administrative funds received by any state to be used to assist in the administration of claims for compensation on behalf of any other state if a major disaster was declared with respect to such other state or any area within such other state.

On March 6, 2006, Congress enacted P.L. 109-176, the Katrina Emergency Assistance Act of 2006. Section 2 of this law extended DUA benefits for persons eligible for DUA benefits under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina for an additional 13 weeks