

## 2010 Unemployment Extension FAQ: Tier 5, 99ers Explained and Defined

(July 15) — America's officially been out of the recession since last October, but you wouldn't know it from looking at the nation's jobless numbers. In fact, the number of Americans without work for the past 99 weeks recently reached an alarming, record-high 1.4 million, according to the Department of Labor (via The Washington Post).

That disheartening piece of news comes just days before the Senate is scheduled to vote on an unemployment extension package (on Tuesday, July 20), which would provide relief to many Americans now struggling to make ends meet, and particularly those who have been out of work for the past six months.

However, even if the new package is passed, it would not expand the number of weeks that unemployment benefits can be collected beyond 99, the current federal limit. As such, many people have now resorted to pressuring their representatives to add a new category for extended unemployed compensation: "Tier 5."

As a result, the terms "99ers" and the "Tier 5" unemployment expansion have become major buzzwords in the debate over what to do about the nation's jobless. With that in mind, Surge Desk

defines the terms and explains just why the current unemployment situation is so precarious.

### **Who are the 99ers?**

"99ers" is a term for the group of unemployed workers who have been out of work for over 99 weeks and thus are no longer eligible to receive federal unemployment benefits. According to the Bureau of Labor Statistics, as of June approximately 1.4 million Americans fell into the "99ers" category, which accounts for 9.2 percent of all unemployed workers. This means that in the past three years, the number of 99ers has multiplied sixfold from roughly 221,000 in June 2007.

### **Are federal unemployment benefits consistent from state to state?**

The extent of federal funding per state is dependent upon that state's unemployment rate. Although it is a rare case, this means that a "99er" in a state with less than 6 percent unemployment has actually been without benefits for longer than 39 weeks. As of May, unemployed workers in 30 states qualified for the full 99 weeks. The Center on Budget and Policy Priorities explains:

Workers in any state who exhaust their regular [Unemployment Insurance] benefits before they can find a job can receive up to 34 additional weeks of benefits through the temporary federal Emergency Unemployment Compensation (EUC) program enacted in 2008. That number rises to 53 weeks in states with especially high unemployment rates.

Workers who exhaust their regular UI and EUC benefits can receive additional weeks of benefits through the permanent federal-state Extended Benefits (EB) program if their state's unemployment insurance laws allow it.

### **What does the term “Tier 5” mean?**

A “Tier 5” unemployment expansion would lengthen the period of time that unemployed workers in certain states are eligible to receive federal aid. If a “Tier 5” were to be implemented, many “99ers” whose unemployment checks were discontinued would once again be eligible to receive benefits as they continue their job search.

### **What are the concerns surrounding an unemployment extension and the additional “Tier 5?”**

It should not come as a surprise that conservative lawmakers skeptical of

extending the current federal unemployment package hold similar reservations about expanding the length of the eligibility period itself. Michael D. Tanner, a scholar at the Cato Institute think tank, summarizes the conservative reservations: “Workers are less likely to look for work, or accept less-than-ideal jobs, as long as they are protected from the full consequences of being unemployed.” Others, however, argue that extended unemployment benefits do not inhibit a job seeker’s motivation to acquire gainful employment.

In addition, more eligible unemployed workers means more checks sent out, thus adding to the federal deficit.

### **What are the odds of instituting a Tier 5?**

Pretty slim — considering that the bill to be voted on by the Senate next week makes no mention of adding additional weeks of unemployment benefits. The bill currently on the table, which is now considered likely to pass, struggled through the Senate throughout June, indicating many of the problems that a “Tier 5” bill would encounter.

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