

Summary of 2009 Wisconsin Act 11 Unemployment Insurance Provisions

I. Increase in Extended Benefits

2009 Wisconsin Act 11 was enacted on May 15, 2009. Prior to Act 11, a Wisconsin worker was eligible for up to a total of 72 weeks of unemployment (UI) benefits:

1. 26 weeks of regular UI benefits – funded by Wisconsin UI Reserve Fund.
2. 33 weeks of benefits under the Emergency Unemployment Compensation Act of 2008 (“EUC”) – funded by federal Unemployment Trust Fund.
3. 13 weeks of benefits under the 1970 federal-state Extended Benefits program (“EB”) – funded 50% state and 50% federal, but 100% federal in 2009 due to American Recovery and Reinvestment Act.

Act 11 added 7 weeks to the number of weeks a claimant may claim Extended Benefits (EB), increasing the maximum EB benefits from 13 weeks to 20 weeks and the maximum total number of weeks an individual may receive to 79 weeks.

The increased level of EB is triggered when a state’s rate of unemployment reaches 8% for three months. Wisconsin’s rate of unemployment reached 8% for the 3-month period ending May 31, 2009. As a result, the additional 7 weeks of EB benefits became payable in Wisconsin as of the week beginning June 7, 2009. Claimants who are eligible for additional EB benefits were notified and claimants with active EB claims will have their additional weeks of benefits added to their benefit entitlement.

The additional 7 weeks of EB benefits may be claimed through 2009 and, for most employers, are funded by the federal government (as a result of the American Recovery and Reinvestment Act, which increased the federally funded share from 50% to 100% during this period). If Congress extends the 100% federal funding of EB benefits beyond 2009, the additional 7 weeks of Wisconsin’s EB benefits will automatically extend beyond 2009.

II. Unemployment Insurance Modernization

Separation from Employment for Compelling Family Reasons

Act 11 makes claimants eligible for benefits who separate from employment for “compelling family reasons”:

- Due to domestic abuse and concerns about personal safety (Act 11 broadened the statutory provision).
- Due to a verified illness or disability of a family member that necessitates the care of the family member for a period of time that the employer is not willing to grant leave (Act 11 broadened the provision).
- Due to the need to move with a spouse to a new location because the spouse changed his or her place of employment to a place to which it is impractical to commute (Act 11 created this provision).

Benefits paid to claimants who quit employment for “compelling family reasons” are charged to the Wisconsin unemployment reserve fund but not to employer accounts. The changes first applied to separations from employment the week of May 24, 2009.

Extended Training

Act 11 extends UI benefits to a claimant who is enrolled in approved training for up to 26 weeks after a claimant exhausts regular UI benefits, EUC08 benefits, EB benefits and Trade Act (if applicable) allowances. Individuals may be eligible as early as the week of August 23, 2009. In order qualify:

- Claimant must be separated from a “declining occupation” or involuntarily separated from employment as a result of a permanent reduction in operations by the employer that occurred no earlier than the beginning of the claimant’s base period.
- Claimant must be receiving training in a “high demand” occupation.
- Claimant must not be receiving similar stipends or other training allowances for nontraining costs.

- Claimant must have started the approved training within 52 weeks after the end of claimant's benefit year (or within their benefit year when extended benefit programs are not in effect).
- If claimant is not applying for "extended training" benefits in a claimant's benefit year, the claimant's benefit year must have ended no earlier than 52 weeks prior to the week the claimant first claims the benefits.
- Claimant may only claim extended training benefits within 52 weeks after the benefits are started.

The provisions expanding eligibility for "compelling family reasons" and extended training were adopted to qualify Wisconsin for UI Modernization funds under the American Recovery and Reinvestment Act of 2009 (ARRA).

- Wisconsin's eligibility for ARRA funds for these changes is \$89.3 million.
- Wisconsin received \$44 million for provisions in pre-existing state law.
- The estimated cost to the Wisconsin unemployment reserve fund to pay benefits under the newly-added provisions is approximately \$11.3 million per year. The actual benefit costs will vary significantly from year to year.