

Middle Class Tax Relief and Job Creation Act of 2012
Extension and Modification of EUC08 Program and Temporary Extension of EB Provisions
Fact Sheet

Emergency Unemployment Compensation (EUC08) Extension and Elimination of Phase-Out

- Extends end date for the Emergency Unemployment Compensation (EUC08) program from March 6, 2012 to January 2, 2013.
- Extends the end of the period during which an EUC08 account may be augmented with another tier. Individuals must exhaust an EUC08 tier before December 29, 2012 (in most states) to qualify for the next higher tier.
- Eliminates phase-out for individuals with amounts remaining in their EUC08 accounts on the last day of the last week ending on or before the termination date of the EUC program; no EUC08 will be payable for any week of unemployment ending after January 2, 2013.

Modification of Triggers and Maximum Entitlement for Tiers of EUC08

- First Tier
 - There continues to be no trigger for EUC08 First Tier.
 - Effective for weeks of unemployment ending after September 2, 2012, reduces maximum entitlement to the lesser of 54% of the maximum regular unemployment compensation (UC) entitlement or 14 times the regular UC weekly benefit amount (previously 80% or 20 weeks).
- Second Tier
 - Effective for weeks of unemployment ending after June 1, 2012, adds a total unemployment rate (TUR) trigger of 6% (previously no trigger).
 - If EUC08 Second Tier is no longer available in a state after the trigger becomes effective, individuals who established EUC08 Second Tier entitlement before June 1, 2012 will (if otherwise eligible) continue to receive their remaining EUC08 Second Tier balance after June 1, 2012 until the earlier of exhaustion or the final payable week of EUC08.
 - Maximum entitlement continues to be the lesser of 54% of the maximum regular UC entitlement or 14 times the regular UC weekly benefit amount (WBA).
- Third Tier
 - Effective for weeks of unemployment ending after June 1, 2012, increases TUR trigger to 7.0% (previously 6.0%).
 - If EUC08 Third Tier is no longer available in a state after the new trigger becomes effective, individuals who established EUC08 Third Tier entitlement before June 1, 2012 will (if otherwise eligible) continue to receive the EUC08 Third Tier balance until the earlier of exhaustion or the final payable week of EUC08.
 - Effective for weeks of unemployment ending after September 2, 2012, reduces maximum entitlement to the lesser of 35% of the regular UC WBA or 9 times the regular UC WBA (previously 50% or 13 weeks).
- Fourth Tier
 - Effective for weeks of unemployment ending after June 1, 2012, increases TUR trigger to 9.0% (previously 8.5%).

Additional guidance and information is available on the Office of Unemployment Insurance website at <http://www.oui.doleta.gov/unemploy/jobcreact.asp>

- If EUC08 Fourth Tier is no longer available in a state after the new trigger becomes effective, individuals who establish EUC08 Fourth Tier entitlement before June 1, 2012 will (if otherwise eligible) continue to receive the balance of their EUC08 Fourth Tier until the earlier of exhaustion or the final payable week of EUC08.
- For states on Extended Benefits (EB), the Fourth Tier maximum entitlement remains unchanged (6 times the regular UC WBA) for weeks of unemployment ending before September 2, 2012.
- For states not on EB, for weeks of unemployment:
 - Ending after February 22, 2012 and before June 1, 2012, increases maximum entitlement to the lesser of 62% of regular UC entitlement or 16 times the regular UC WBA (previously 24% and 6 weeks).
 - Applies only to individuals currently in Fourth Tier or new entrants to Fourth Tier; and
 - The total EUC08 and EB paid to an individual may not exceed the lesser of 282% of regular UC entitlement or 73 times the regular UC WBA.
 - Ending on or after June 1, 2012 and on or before September 2, 2012, reduces maximum entitlement to the lesser of 24% of regular UC entitlement or 6 times the regular UC WBA.
- For weeks of unemployment ending after September 2, 2012 and on or before January 2, 2013, increases maximum entitlement in all states to the lesser of 39% of regular UC entitlement or 10 times the regular UC WBA (previously 24% and 6 weeks).

Emergency Unemployment Compensation (EUC08) Work Search Requirement

- Adds new requirement that individuals be able to work, available to work, and actively seeking work to be eligible for EUC08.
- Defines “actively seeking work” to mean:
 - Registration with the Employment Service;
 - Engaging in an active search for employment appropriate to the individual’s skills and abilities, and employment available in the labor market;
 - A number of employer contacts consistent with state standards;
 - Maintenance of a record of work search activities (employers contacted, method of contact, and date of contact); and
 - When requested, providing the work search record to the state agency.
- Adds new requirement that the Secretary of Labor establish for each state a minimum number of claims for which work search records must be audited on a random basis each week.

Emergency Unemployment Compensation (EUC08) Overpayment Recovery

- Requires states to recover EUC08 overpayments via offset (prior law permitted states to recover via offset).
- Requires states to offset in accordance with the same procedures that apply to overpayments of state UC (prior law capped the offset at 50% of the WBA).

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Emergency Unemployment Compensation (EUC08) Non-Reduction Rule

- The non-reduction rule concerns methods of calculating WBAs that result in the reduction of the average WBA that would otherwise have been payable in a state.
- Amends prior law to limit the applicability of the non-reduction rule to state law enacted on or after March 1, 2012 and “holds harmless” states with state laws enacted before March 1, 2012 that violate this rule.

Extension of 100% Federal funding of Extended Benefits (EB)

- Extends 100% Federal funding of most EB costs from March 7, 2012 to December 31, 2012.
- Extends Federal funding of the first week of EB if the state does not have a non-compensable waiting week from August 15, 2012 to June 30, 2013.
- Extends the authority for states to use a 3-year “look-back” from February 29, 2012 to December 31, 2012.

Reemployment Services (RES) and Reemployment and Eligibility Assessments (REAs) for individuals receiving EUC08

Click [here](#) for the fact sheet on RES and REAs.