

IMPACT OF FEDERAL STIMULUS LAW ON UNEMPLOYMENT BENEFITS IN GEORGIA

1. Benefits will be **extended** again for people who qualify and who have received all of their regular benefits.

“Regular” unemployment benefits can last **up to 26 weeks**.

“Emergency” or “extended” benefits are only paid to those who exhaust their regular benefits. These are also referred to as federal benefits. These benefits are only payable when the state’s unemployment rate exceeds a certain percentage of the population. These benefits are “on” in Georgia right now. Georgia received “Tier 1” benefits in June 2009 and “Tier 2” benefits in August 2009. “Tier III” will go into effect no later than May 25, 2009.

2. Unemployed workers are receiving **larger checks**.

“Regular” benefits range from \$44.00 to \$330.00 each week. The Federal Stimulus law added \$25.00 each week to the regular or extended benefit amount, until those benefits are exhausted. The extra amount is added automatically. This extra amount will end on June 30, 2010.

3. Some unemployment benefits will **not** be subject to **income taxes**.

Usually, unemployment benefits are taxable just like income from employment. Claimants could decide whether to have taxes taken out of the benefits each week, or to receive the full amount and catch up on the taxes when filing the tax return the following year.

The Federal Stimulus law exempts **the first \$2,400.00** in unemployment benefits from taxation **during 2009**.

4. Georgia had to **modernize its laws** in order to receive additional federal funding.

In order to receive a large sum of additional federal funding as a result of the Federal Stimulus Law, states were required to modernize their state laws to make unemployment benefits available to more people. Georgia had already made one of the recommended changes to its law several years ago by enacting the “**alternative base period**,” which allowed the Department of Labor to count the wages earned in the most recent calendar quarter.

Georgia chose **two other changes** from a list of possible changes. Under Georgia’s new law, which was signed on April 21, 2009 and is known as House Bill 581, people who work in **part-time jobs** long enough to earn enough wages to qualify for unemployment benefits will be able to receive unemployment benefits while looking for similar work. In the past, all applicants for unemployment benefits had to certify that they were seeking full-time work. Georgia will also provide extended benefits for workers in certain **training programs** for jobs that are in **high demand**.

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