



## Press Release

### **For Immediate Release**

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### Upcoming changes related to Federal Emergency Unemployment Compensation in Vermont.

(Montpelier, VT) The Vermont Department of Labor (VDOL) announced today upcoming changes that will occur with the Federal Emergency Unemployment Compensation 2008 (EUC 08) program.

As of November 13, 2010, EUC08 Tier 3 will be phased out in Vermont. This results from the October unemployment rate declining to 5.8%, which brought Vermont's three month average unemployment rate down to 5.9%, a level that is below the 6.0% federal threshold required for Tier 3.

"Based on the Federal criteria, Vermont will soon no longer be able to qualify individuals for Tier 3 extended benefits," commented Acting Labor Commissioner, Valerie Rickert. "Vermont has the fifth lowest unemployment rate in the nation but this is of little consolation to individuals unable to find work. The Vermont Department of Labor continues to work with job seekers and employers alike to improve employment outcomes" added Acting Commissioner Rickert.

Approximately 1,000 claimants are currently filing second Tier benefits. Individual that exhaust their Federal Tier 2 benefits with a payment on or before the week ending November 13, 2010 will be eligible to transition into the third tier. However, those that exhaust Tier 2 after week ending November 13, 2010 will not be eligible for additional benefits. Claimants who have already established entitlement to Tier 3 will not be impacted. In addition, qualifying new unemployment claimants will still be able to collect regular unemployment benefits of up to 26 weeks.

The EUC08 program commenced in July of 2008, with various extensions to the end date of the program. As it stands now, without action by Congress, the entire EUC08 program is scheduled to begin phase out the end of this month. "While it is possible Congress will extend the program again, it is unlikely such will occur before the phase out period begins," said Acting Commissioner Rickert. "This will be a difficult period for some who may have been counting on the additional benefits beyond the traditional 26 weeks" Rickert continued. In order for individuals to qualify for

Tier 1 or 2 EUC08 benefits, they will have to exhaust their current benefit entitlement on or before the week ending November 20, 2010. As with the phase out of Tier 3, anyone who is found eligible for a tier will be able to receive their full entitlement under that tier, but will not be entitled to the new tier after the phase out period begins.

The EUC08 program had three tiers for which Vermont qualified. Each of the tiers has various caps, with Tier 1 providing up to 20 weeks and Tier 2 up to 14 weeks more. The EUC08 Tier 3 was designed to provide up to 13 additional weeks of unemployment benefits during periods of high unemployment to individuals who exhaust state Regular, and Federal Tiers 1 and Tier 2 unemployment benefits. As noted above, the recent drop in Vermont's unemployment rate means no new EUC08 entitlement under the third tier will be established after the week ending November 13, 2010.

A year ago Vermont's unemployment rate was 6.8, with a total of 6,135 unemployed workers receiving one of three tiers of federal benefits or the state's extended benefit program. Since that time there has been a significant drop in the number of individuals receiving unemployment benefit payments. As of last week 3,565 individuals received one of three tiers of federal unemployment benefit payments.

VDOL's 12 career resource centers and satellite offices continue to provide Vermonters assistance with job seeking skills and strategies including a compilation of occupational data for those interested in career changes or new entrants to the workforce. In addition, the Department is continues their collaboration with Community College of Vermont to offer the Career Readiness Certificate training, free of charge, to Vermonters interested in bolstering their work readiness skills. The Department has a variety of federal and state training programs to assist unemployed individuals seeking work and/or employers needing to train new hires. Regional career resource staff can assist folks interested in learning more about these opportunities.