



New Unemployment Legislation Signed

November 10, 2009

On Friday, November 6, 2009, President Obama signed legislation approving up to 14 additional weeks of extended unemployment benefits for claimants in all states, and another 6 weeks of extended benefits for UC beneficiaries in states such as Ohio with high unemployment rates. As a result, Ohioans who have exhausted their unemployment benefits could be eligible for another 20 weeks of benefits. This new law is effective as of November 8, 2009.

Members of Congress are looking into extending the unemployment benefits a full year, which would roughly cost \$80 billion.

The direct impact of this bill passing is a mutualized tax extension of .2% on the Federal Unemployment Tax Assessment (FUTA), imposing \$2.4 billion in FUTA taxes on employers or \$14 per employee. This .2% surtax accounts for approximately 25% of FUTA tax collections; because the federal tax is offset by a credit for state unemployment taxes paid up to 5.4% on the same wage base.