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LOUISIANA WORKFORCE COMMISSION

Unemployment Insurance Stimulus Payment Facts

Louisiana ***is*** accepting federal stimulus money for unemployment insurance.

- We ***are*** accepting $25 per week for every UI benefit we pay.

  Total through May 20: $13.18 million.

  77,605 separate individuals have received at least one payment.

- We ***are*** accepting **$6.57 million** for operational improvements in the administration of UI tax and benefit operations, outreach services such as Rapid Response and for staff-assisted re-employment services.

Distribution for Modernization

Stimulus incentive payments for unemployment insurance "modernization."

Changes required:

Up to $32.8 million ***if*** Louisiana:

1. Adds an "alternate base period" (ABP) for determining eligibility for UI benefits

   and up to $65.6 million more if Louisiana ***also***:

2. Keeps coverage for part-time work ***and***
3. Expands coverage for:

   a. Compelling family reasons, ***or***

   b. 26 weeks of approved training after regular benefits are exhausted, ***or***

   c. Dependents

Cost of these changes:

- Adding ABP:
  More than $26 million per year, based on additional claims approved under this provision.
- ABP *plus* compelling family reasons:
  More than $44 million per year.
- ABP *plus* additional training:
  More than $34 million per year.
- ABP *plus* dependent coverage:
  More than $47 million per year.

Note: No additional fiscal impact for continuing coverage for part-time work.

Estimates are based upon 2008 claims weighted for the increase in unemployment in 2009 to date. Numbers may be higher, because more people are likely to file these claims if they know they will be approved.

Who pays?

USDOL says **federal law requires ABP costs to be passed on to employers through their experience ratings, even if Louisiana still has incentive payments in the UI trust fund**. Claims costs can impact an employer's experience rating for three or more years.

Family reasons, additional training or dependent coverage can be funded through the social charge, which all employers pay, not just those with layoffs. However, employers with a higher rating also pay a greater share of the social charge.

How much will it cost each employer?

Each rate is determined by individual factors.

Examples:

- Lowest Rating:
  Hairdresser with 10 staff, 3 layoffs, increases from $7.00 to $229.60 per staff member over 3 years. Equal to $3,875.90 for 7 staff over 3 years.
- Middle Rating:
  Restaurant with 73 staff, 3 layoffs, increases from $80.50 to $256.20 per staff member over 3 years. Equal to $61,789.00 for 70 staff over 3 years.
- High Rating:
  Construction with 15 staff, 3 layoffs, increases from $151.90 to $248.50 per staff member over 3 years. Equal to $2,217.60 for 12 staff over 3 years.