

## VIII. TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION

The Temporary Extended Unemployment Compensation Act of 1961 (Public Law 6, 87th Cong.), which became effective April 8, 1961, provides that unemployment benefits may be extended to individuals who, since June 30, 1960, but before approximately March 31, 1962, have exhausted their benefit rights under State unemployment insurance laws and the unemployment compensation programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX). Temporary unemployment compensation (TEUC) is payable to claimants under the laws of the States which have entered into agreements with the Secretary of Labor to participate in the extended benefits program. All 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands elected to participate. The TEUC law expires approximately June 30, 1962; that is, extended benefits are not payable for any week of unemployment beginning after that date.

Under the TEUC program, a claimant who exhausted all of his regular benefit rights is entitled to extended benefits equal to the lesser of one-half of his exhausted regular benefit entitlement or 13 times the weekly benefit amount applicable to his regular unemployment insurance claim. Also, the total payment of regular plus extended benefits made to an individual claimant may not exceed 39 times his weekly benefit amount in a "compensation period," defined in the TEUC Act as the period beginning on the first day of one benefit year and ending the day before the next benefit year. States which pay an individual claimant more than 26 times his weekly benefit amount may receive Federal reimbursement for any payments in excess of 26 times the weekly benefit amount.

TEUC benefits are paid from Federal funds appropriated by Congress and will be financed by a temporary 2-year increase of 0.4 percent in the tax applicable to covered employers under the Federal Unemployment Tax Act (FUTA). This will increase the net FUTA tax to 0.8 percent with respect to wages paid during the calendar years 1962 and 1963. (For a brief description of a similar program, provided by the Temporary Unemployment Compensation (TUC) Act of 1958 (Public Law 441, 85th Cong.), see the 1959 Supplement to the *Comparison of State Unemployment Insurance Laws as of January 1, 1958*.