

TR: 16615
SF No.: PCA 16615-150/PMA 16615-350/PFS 16615-550 -REVISED
TITLE: Unemployment Compensation and Sequestration
Submitted: 05/2013
Agency: CAOs
Program:
CITATIONS:

Question:

Are there any new deductions to be taken from Unemployment Compensation benefits?

Response by: Bureau of Policy

Approved by: Luellen Schmidt

Yes. With the signing of the Budget Control Act of 2011, mandatory federal budget cuts known as "sequestration" recently went into effect. Emergency Unemployment Compensation (EUC) benefits will be reduced by 10.7% beginning the week ending April 6, 2013 through the week ending September 28, 2013.

Only **federal EUC benefits** will be affected by this mandatory budget cut. A revised Notice of Financial Determination will be sent to current EUC claimants. Individuals whose EUC claim opens during the period affected by the sequestration will initially receive a Notice of Financial Determination showing the full weekly benefit without reduction. That Notice will be followed immediately by a revised Notice detailing the reduction.

The EUC benefit will remain subject to deductions for earnings, holiday pay, vacation pay, pensions, overpayment offsets, child support and federal income tax. **The CAO will adjust the net amount after the 10.7% reduction plus any adjustments or garnishments that cannot be excluded in eligibility determinations and benefits computations.**

From the Individual Detail and Check History Screens: Use the Net Benefit/Amount Paid plus adjustments or garnishments that cannot be excluded in the benefit computation.

UC Individual Detail/ Check History Screens:

- WEEKLY/WBR field displays ~~gross~~ **the EUC benefit** ~~before~~ **AFTER** the 10.7% reduction.
- NET BENEFIT/Amount Paid field displays net benefits **AFTER** ~~the 10.7% reduction,~~ deductions and/or garnishments.
- Review the Benefit Calculation details with adjustment codes by selecting the Additional Information button next to the NET BENEFIT/Amount Paid field. This will display the Benefit Calculation details box. Selecting the chevron button next to the adjustments/deductions field will display deductions with codes and descriptions. ~~The dollar amount of the 10.7% reduction is listed but does not have a code or description.~~