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Sequestration cuts benefits to Ohio unemployed Yet more long-term jobless will qualify for U.S. aid

Thousands of unemployed Ohioans soon will be feeling the effects of federal sequestration budget cuts through a reduction in their weekly unemployment compensation (UC) checks. Altogether, unemployed Ohioans are expected to see \$25 million less in benefits between now and the end of the federal fiscal year Sept. 30, according to the Ohio Department of Job and Family Services.

Starting the week of May 5, those UC claimants moving to a new “tier” of federal benefits will see their checks cut by 16.36 percent, or an average of about \$50 a week. Here’s how it will work:

- Those Ohioans who are still unable to find a job after receiving 26 weeks of state unemployment benefits become eligible for the federal government’s Emergency Unemployment Compensation program. The program offers tiers of benefits, which differ in each state according to unemployment levels.
- In Ohio, eligible claimants may receive up to 14 weeks of benefits under Tier 1, and, if they are still out of work, another 14 weeks under Tier 2. Starting May 5, those exhausting Tier 2 benefits will be eligible for 9 weeks of additional benefits through Tier 3 because Ohio’s unemployment rate has ticked up (the unemployment rate averaged 7 percent over the last three months, triggering the extra benefits under federal law separate from sequestration).

The exact number of those who will be affected by the sequestration benefit cuts is unknown, since it will depend on how many of Ohio’s long-term unemployed find jobs before they move to a new tier of U.S. benefits. However, it could affect many of the 37,000 currently claiming Tier 1 or Tier 2 federal benefits, those who begin receiving U.S. benefits after running out of state benefits, or some of 113,000 who have already exhausted Tier 2 federal benefits and may soon be eligible for additional benefits if they have not found work. While a claimant stays in a particular benefit tier, their benefit checks will not change.

“It’s good to see that more unemployed Ohioans will be able to receive benefits, with our continuing high level of unemployment,” said Zach Schiller, research director of Policy Matters Ohio. “However, the sequestration cuts are a blow to Ohio’s long-term unemployed and communities across the state.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*