Unemployment Insurance System Update, Part III: Additional States Opting Out of Federal Unemployment Benefits

Article By
Ashley Prickett Cuttino
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

- Coronavirus News
- Labor & Employment

- Alaska
- Arizona
- Montana
- New Hampshire
- Oklahoma
- Iowa
- Mississippi
- Missouri
- Alabama
- Idaho
- Indiana
- North Dakota
- West Virginia
- Wyoming
- Arkansas
- Georgia
- Texas
- Ohio
Twenty-two of 27 Republican-led states have announced that they will end enhanced federal COVID-19 unemployment benefits early. Of those, four (Arizona, Montana, New Hampshire, and Oklahoma) will offer additional monetary incentives for individuals to return to work. To date, no state with a Democratic governor has chosen to opt out of the COVID-19-related enhanced federal unemployment programs.

As noted in part one of this unemployment insurance system update series, President Joe Biden has proposed to bolster the unemployment benefits system, but the proposal has garnered support only from Democratic lawmakers. As explained in part two of the blog series, which focused on states that had announced plans to opt out of federal pandemic-related unemployment benefit programs, to cease participation in enhanced federal unemployment benefit programs, a state must provide at least 30 days’ written notice to the U.S. Department of Labor (DOL).

The states listed below have chosen to cease all enhanced unemployment programs early, including the Pandemic Unemployment Assistance (PUA) program, Pandemic Emergency Unemployment Compensation (PEUC) program, Federal Pandemic Unemployment Compensation (FPUC) program, and Mixed Earner Unemployment Compensation (MEUC) program. These changes will not have an impact on regular state unemployment benefits.

**Enhanced Federal Unemployment Benefits End on June 12, 2021**

Alaska, Iowa, Mississippi, and Missouri will each end COVID-19-related enhanced unemployment benefits the week ending June 12, 2021.

**Enhanced Federal Unemployment Benefits End on June 19, 2021**


In addition to ceasing benefits, New Hampshire Governor Chris Sununu announced a $10 million program that will provide a bonus to currently unemployed persons who return to work for at least eight weeks. The bonus, which is immediately available, will provide $1,000 for full-time work and $500 for part-time work “on a first come, first serve basis” to those workers who will make $25 per hour or less and “complet[e] 8 consecutive weeks of employment with the same employer.”

**Enhanced Federal Unemployment Benefits End on June 26, 2021**
Arkansas, Georgia, Texas, Ohio, Oklahoma, South Dakota, and Utah will each end COVID-19-related enhanced unemployment benefits the week ending June 26, 2021.

In addition to ceasing benefits on June 26, 2021, Oklahoma announced that a $1,200 “Return to Work Incentive” will be offered to “[t]he first 20,000 Oklahomans currently receiving unemployment benefits who return to the workforce.”

**Enhanced Federal Unemployment Benefits End on June 27, 2021**

Montana will cease participating in all COVID-19-related enhanced federal unemployment benefits programs with the week ending June 27, 2021. Montana will offer “a one-time $1,200 bonus payment” to “[i]ndividuals with an active unemployment claim as of May 4, 2021.” To be eligible, individuals must:

- “discontinue receiving unemployment insurance benefits”;
- “accept an offer of employment in any industry” in Montana; and
- “complete at least FOUR full weeks of paid employment.” (Emphasis in original.)

**Enhanced Federal Unemployment Benefits End on June 30, 2021**

South Carolina will cease its participation in all federal COVID-19-related unemployment benefit programs effective June 30, 2021.

**Enhanced Federal Unemployment Benefits End on July 3, 2021**

Tennessee will end its participation in all COVID-19-related federal unemployment benefit programs effective July 3, 2021.

**Enhanced Federal Unemployment Benefits End on July 10, 2021**

Arizona will cease participation in COVID-19-related federal unemployment benefits programs on July 10, 2021. Arizona Governor Doug Ducey also announced a plan to offer eligible full-time workers a “$2,000 Back To Work bonus” to encourage “as many Arizonans as possible to rejoin the workforce by Labor Day, September 6, 2021.” The order also provides a smaller bonus for individuals who get part-time work and provides “child care support, educational opportunities and rental assistance” to incentivize Arizonans to return to the workforce.

In addition to the states above, Florida and Nebraska have announced they are considering ceasing benefits early in their respective states. Governor Charlie Baker of Massachusetts, on the other hand, has affirmatively stated that he will not end enhanced federal unemployment benefits early. Of the Republican-led states, only Maryland and Vermont have remained silent on the issue.
