

Senate negotiators reach deal to extend jobless benefits by cutting pension funding

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Democratic and Republican Party negotiators in the US Senate announced Thursday that they have reached an agreement to extend federal emergency jobless benefits for five months, to be paid for by cuts to pension funding by corporations and increased user fees on airlines.

If passed, the agreement would retroactively pay out benefits accrued in the two-and-a-half months since the cutoff of extended benefits on December 28, leaving only one or two months of additional benefits before the program would lapse again.

Since federal extended unemployment benefits expired at the end of December, the number of long-term unemployed in the US who have lost cash benefits has reached 2.13 million, according to the National Employment Law Project (NELP).

Some 1.3 million people lost their unemployment benefits on December 28, and another 73,000 have been cut off every week. There are over a million dependent children of workers who have lost coverage, according to NELP.

The deal would fully pay for the \$10 billion benefits extension through a grab-bag of reactionary measures. First, it would allow employers to delay paying into private pension funds, contributing to their chronic under-funding, and eventually leading to cuts. Since the contributions are tax-deductible, the measure would raise government revenue.

Secondly, the measure would further extend so-called customs “user fees,” effectively a tax on air travel, which would have the effect of increasing air travel costs for consumers.

While the full details of the deal have yet to be released, it is clear that it includes regressive provisions requiring the long-term unemployed to attend job training in order to qualify for benefits. “The legislation

will include two changes to the unemployment program, one of which will require more job training for long-term jobless workers in order to continue receiving insurance benefits,” reported the *Washington Post*.

The Obama administration praised the Senate agreement. “This is not just the right thing to do for these Americans looking for work, it’s the right thing to do for our economy,” said White House press secretary Jay Carney. He added, “The president urges the Senate to pass the bill and for the House to do the same so that he can sign it into law.”

“I’m pleased that we’ve reached an agreement that will get a sufficient number of Republican votes,” said Susan Collins, the lead Republican Senate negotiator, in announcing the deal Thursday.

The tentative agreement is only the first step of what lawmakers in both parties expect to be a drawn-out legislative process. The Senate will not even begin debate on the bill until late March, after returning from its St. Patrick’s Day recess. At that point, Senate Majority Leader Harry Reid said the Senate is expected to concentrate on the situation in Ukraine, meaning that the extension may not come up in the Senate until early April.

The agreement must then be passed in the House of Representatives, where the Republicans have a majority. When reporters asked House Speaker John Boehner his thoughts on the agreement Friday, he retorted, “You mean the one that can’t be implemented?”

Republicans said they expected a final deal to include additional spending cuts and even further punitive measures against the unemployed. “My hope is there will be further debate and opportunities to amend this proposal and add real reforms to ensure that it better

helps the chronically unemployed get back on the job,” said Republican Senator Kelly Ayotte.

The Democrats have sought to use their nominal support for extending unemployment benefits to posture as opponents of social inequality in the 2014 midterm elections. In fact, the expiration of jobless benefits is the result of a calculated policy carried out by the White House and congressional Democrats. By agreeing to a budget deal last year that excluded an extension of the benefits, the Democrats ensured that the program would lapse.

The Emergency Unemployment Compensation program provides additional weeks of jobless pay beyond the 27-week cutoff for most states. Since the initiation of the program in 2008, it has been renewed by Congress eleven times. Beginning in 2011, the program began to be pared back significantly. This took place at the same time as states throughout the country began cutting back on the duration of benefits they provide, with some offering as little as 14 weeks.

These measures have led to a sharp increase in the number of unemployed people who do not receive jobless benefits. In 2010, about two-thirds of long-term unemployed people received benefits. That number had fallen to 54 percent by 2011 and was down to about 45 percent in 2012. By the end of 2013, prior to the lapse in extended jobless benefits, that figure had fallen to one-third.

Before the 2008 crash, the long-term unemployed never amounted to more than 26 percent of the total jobless, while the total number of long-term unemployed was one-third its present level.

Advocates for the unemployed have reported stories of the jobless people being forced to sell off their possessions, or grandparents who are being forced to stretch their social security checks to cover whole families after their adult children had their benefits cut off.

“Congress’s failure to extend emergency jobless benefits is definitely putting the squeeze on a lot of families that are otherwise just getting by,” said George Wentworth, Senior Staff Attorney at the National Employment Law Project, in a telephone interview.

“These workers are basically either relying more heavily on community social service providers like food pantries, or they are scraping by trying to take work that they would not otherwise be forced to take,

including minimum wage and part-time work, even if they have had a work history at a much higher skill level.”



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