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State boosts unemployment benefits by \$18

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CRANSTON — The maximum amount you may collect in unemployment benefits will go up next month.

But the increase will apply only if you start collecting benefits on or after July 1.

Thousands of Rhode Islanders who are out of work and currently collecting benefits will continue to receive the amounts calculated under the old rules.

The state Department of Labor and Training on Monday said that, for someone without dependents, the maximum unemployment benefit will be \$546 a week, an increase of \$18, or 3.4 percent.

The maximum for someone with five or more dependents will be \$682 a week, an increase of \$22.

In general, the new maximum amounts will apply to those who lose their jobs and qualify for unemployment benefits on or after July 1, said Raymond A. Filippone, the agency's assistant director who oversees unemployment insurance.

(Technically, they will apply only for those who file new claims for benefits with an effective date on or after July 5, Filippone said.)

Kate Brewster, executive director of The Poverty Institute, at the Rhode Island College School of Social Work, which analyzes tax and budget policies on behalf of low-income people, said the increase will come in handy.

“Every dollar is important in these harsh economic times,” she said.

Rhode Island's unemployment rate is 11.1 percent. An economist for Moody's Economy.com predicted at a State House conference last month that the rate will eventually peak at 12.3 percent.

For the week ended June 6, about 33,800 people were collecting some type of weekly unemployment benefit through the Department of Labor and Training, up from 12,083 at the same point a year ago, Filippone said.

For the first five months of this year, the agency disbursed \$284.8 million in unemployment benefits, compared with \$125.5 million for the same period last year, he said.

Rhode Island automatically adjusts the maximum amount of weekly unemployment benefits each year.

It is one of 36 states that adjust benefit maximums based on various indexes, said Maurice Emsellem, codirector of policy for National Employment Law Project, a New York-based organization that focuses on workplace policy issues.

As a result, "Any increase is really just reflective of the cost of living," said Emsellem, who specializes in unemployment insurance.

How Rhode Island compares with other states from a benefit standpoint, he said, depends more on the average weekly benefit than on the maximum weekly benefit, for which relatively few people qualify.

In Rhode Island, the average weekly unemployment benefit is \$373, Emsellem said. "Relative to other states, that's better than most," he said.

However, Rhode Island's average weekly benefit represents only about 46 percent of the average weekly wage in the state, he said.

In other words, Rhode Island's average weekly unemployment benefit amount "replaces" less than half of what the average worker was earning before losing his or her job, Emsellem said.

"So the reality is that nobody's getting rich off of unemployment benefits in Rhode Island," he said.

Filippone and agency spokeswoman Laura Hart said on Monday that Rhode Island's average weekly unemployment benefit does not include an extra \$25 a week that was made available as a result of economic stimulus legislation approved by Congress and signed into law by President Obama in February.

The extra \$25 weekly payment took effect in early March; Rhode Island was one of the first states to begin distributing it.

As of June 12, the Department of Labor and Training had distributed a total of \$14.6 million in such extra weekly payments to about 60,000 people, Philippone said.

That works out to about \$1 million in additional benefits per week for the 15 weeks in which the extra payment has been in effect, Hart said.

The extra money provides a boost to the state's economy and also helps the unemployed meet living expenses, Philippone and Hart said in an interview at the agency's headquarters in Cranston.

Also on Monday, the Department of Labor and Training posted the new maximum weekly benefit for those who qualify for the state's Temporary Disability Insurance (TDI) program.

For someone without dependents, the new maximum TDI benefit will be \$694 a week, an increase of \$23 a week, or 3.4 percent.

For someone with five or more dependents, the maximum TDI benefit will be \$936 a week, an increase of \$31 a week.

In general, the increases will apply to those who file new claims for TDI benefits on or after July 1, Filippone said. Those already collecting TDI benefits will continue to receive them under the rules and limits currently in effect, Filippone and Hart said.

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