

AFSCME Facts

New Unemployment Benefits Mandated by Congress Provide Extra Support to Workers Affected by COVID-19 April 9, 2020

The Coronavirus Aid, Relief and Economic Security (CARES) Act, which was passed in response to the coronavirus crisis, provides an estimated \$250 billion in expanded unemployment benefits to millions of workers who face job loss or a reduction of work hours due to the COVID-19 pandemic. This fact sheet provides an overview of these benefits.

What types of assistance does the CARES Act provide for unemployed workers?

The table below provides a brief overview of the help provided in the CARES Act.

Types of Help	Who Gets What and When	What It's Called
Unemployment Insurance (UI) Benefits for a Longer Time	Workers who have used up their regular state UI benefits get an extra 13 weeks of UI after a state agrees to provide this benefit until Dec. 31, 2020.	Pandemic Emergency Unemployment Compensation (PEUC)
Help for Workers Who Do Not Get UI	Workers left out of traditional state UI (e.g., self-employed, part-time workers, or those otherwise not qualified for other UI) or workers who have used up their regular or extended state UI or PEUC get benefits for up to 39 weeks (retroactive to Jan. 27 and ending on Dec. 31, 2020) if unemployed or partially unemployed for COVID-19-related reasons. Benefit amounts are calculated using the regular UI formula or special rules for workers whose benefit cannot be determined using that calculation. The minimum benefit is 50% of the state's average UI benefit.	Pandemic Unemployment Assistance (PUA)
A Bigger Benefit	Workers receiving regular and any extended UI, PEUC or the new PUA get an <i>additional \$600 per week</i> after a state agrees to provide this benefit until July 31, 2020.	Pandemic Unemployment Compensation (PUC)

Who qualifies for traditional UI and for how long?

Each state sets its own guidelines for eligibility for UI benefits, but workers usually qualify if they:

- ***Are unemployed through no fault of their own.*** In most states, this means you have to have left your last job due to a lack of available work. Workers also can be eligible in some cases if they are partially unemployed because they have had their hours reduced.
- ***Meet work and wage requirements.*** You must meet your state's requirements for wages earned or time worked during an established time period before becoming unemployed or partially unemployed.
- ***Meet any additional state requirements.*** A state may set other conditions for eligibility.

Workers might not qualify for UI for varying reasons. For some, such as self-employed people, their work might not be covered by the UI program. Others might not have earned enough or worked long enough or might be seeking part-time work. Also, the reason they separated from their last job may not qualify them (e.g., if they quit their job to care for a family member).

Regular UI benefits are available for as long as 26 weeks, depending on state law. After the initial period expires for regular UI, workers may be eligible for Extended Benefits. The basic Extended Benefits program provides up to 13 additional weeks of benefits when a state is experiencing high unemployment. Some states have also enacted a voluntary program to pay up to 7 additional weeks (20 weeks maximum) of Extended Benefits during periods of extremely high unemployment.

What new help may be available for workers who qualify for traditional UI benefits?

Workers who qualify for traditional UI might get three major kinds of additional help:

- ***Pandemic Unemployment Compensation (PUC).*** An *extra \$600 a week* for anyone receiving traditional UI, beginning on the date a state agrees to provide the benefit and ending on July 31, 2020. Everyone who is eligible receives the full \$600, even those receiving a partial unemployment check.
- ***Pandemic Emergency Unemployment Compensation (PEUC).*** An *extra 13 weeks* of benefits after regular state UI benefits run out and available no later than December 31, 2020.
- ***Pandemic Unemployment Assistance (PUA).*** *Up to 39 weeks of additional benefits* once regular state UI, the extra 13 weeks of PEUC and any extended UI benefits expire. This benefit is retroactive to January 27, 2020 and ends on December 31, 2020. PUA recipients, will also automatically receive the extra \$600 per week PUC benefit.

In addition, many states that usually require newly unemployed workers to wait one week before receiving benefits have waived that requirement (and are now able to take advantage of the CARES Act requirement that the federal government pay the full cost of that first week). States also have been encouraged by Congress to ease up on other rules during the crisis, such as the requirement that someone actively look for work, given the widespread stay-at-home and closure orders around the country.

What types of help are available for workers who do not qualify for traditional UI benefits?

Workers who do not qualify for traditional UI benefits (e.g., regular UI or Extended Benefits) or PEUC—including those who have used up all of those benefits or are self-employed or independent contractors, partially unemployed, seeking part-time employment, lacking enough work history or not otherwise qualified for traditional UI—may be eligible for two kinds of help:

- ***Pandemic Unemployment Assistance (PUA)***. *Up to 39 weeks of benefits* retroactive to January 27, 2020 and ending no later than December 31, 2020. Benefit amounts are generally determined using the regular UI calculation or special rules for workers whose benefit cannot be determined using that calculation (e.g., self-employed workers). PUA provides a minimum benefit equal to 50% of a state's average weekly unemployment benefit.
- ***Pandemic Unemployment Compensation (PUC)***. An *extra \$600 a week* for anyone receiving PUA, beginning on the date a state agrees to provide this benefit and ending no later than July 31, 2020.

To be eligible for PUA, applicants must show that they are otherwise able to work and available for work, except that they are unemployed, partially unemployed, or unable or unavailable to work due to one of these COVID-19 related reasons:

- They have been diagnosed with COVID-19 or have symptoms of it and are seeking a diagnosis.
- A member of their household has been diagnosed with COVID-19.
- They are providing care for someone diagnosed with COVID-19.
- They are providing care for a child or other household member who cannot attend school or work because it is closed due to COVID-19.
- They are quarantined or have been advised by a health care provider to self-quarantine.
- They were scheduled to start employment and do not have a job or cannot reach their place of employment as a result of a COVID-19 outbreak.
- They have become the breadwinner for a household because the head of household has died as a direct result of COVID-19.
- They had to quit their job as a direct result of COVID-19.
- Their place of employment is closed as a direct result of COVID-19.

The Secretary of Labor also can establish other reasons that would make a worker eligible for PUA but, to date, has not. Workers are not eligible for PUA if they are able to telework with pay or are receiving paid sick days or paid leave. Undocumented workers are also not eligible for PUA. Documented agricultural workers are eligible for PUA.

Does a worker need to be laid off to qualify for help?

No. Workers may also qualify for help, including regular UI, PEUC, PUA and PUC, if they have been furloughed, had their hours zeroed out (i.e., are not being scheduled for any work) or had their hours cut. Also, PUA is available for certain COVID-19 related reasons that go beyond these

circumstances. Those are described in this fact sheet under *What types of help are available for workers who do not qualify for traditional UI benefits?*

When should workers start applying for the new CARES Act help?

Check with your state unemployment compensation agency about when to apply. Some states are asking workers to hold off on applying because they are still updating their processes and systems to handle the new programs.

Workers already receiving regular UI benefits will automatically get the 13 weeks of extra PEUC benefits when their regular benefits run out. Workers whose regular benefits were exhausted before the PEUC started and those who may be eligible for PUA will have to apply.

No one needs to apply separately for the extra \$600 weekly PUC benefit. Each state will decide eligibility for PUC based on a worker's eligibility for the traditional UI programs, PEUC or PUA. Workers already receiving UI benefits will automatically receive the extra \$600.

What is short-time compensation (work-sharing)?

Under the CARES Act, the federal government will fully reimburse states for all short-time compensation (STC) programs that are already in place. STC programs, also known as work-sharing, help employers avoid layoffs by placing workers on part-time schedules while they replace a portion of lost wages with partial UI benefits. By keeping workers in jobs, STC programs make it much easier to return to regular work when the economy improves. Currently, twenty-seven states have established STC programs that meet the federal definition of work-sharing, of which 26 are currently operational.

What can my state do to maximize benefits for workers and facilitate application processes?

The CARES Act includes a “non-reduction rule” that prohibits states from decreasing the maximum number of weeks of UI benefit receipt or the weekly benefits available under state law as long as they are participating in the PUA, PUC, and PEUC programs.

To encourage states to eliminate a one-week waiting period for UI benefits under state statute in most states, the CARES Act also provides for additional funding for states that waive that waiting period. This full federal funding would cover the EU benefits paid to workers during that week and the administrative expenses of processing those payments. The PUA, PUE, and PEUC programs are fully federally funded. States should eliminate the one-week waiting period.

In order for states to receive their share of the first \$500 million in emergency administration grants provided for in the Families First Coronavirus Response Act (enacted on March 18, 2020), states must ensure that applications for UI benefits and assistance with the application process are accessible, “to the extent practicable,” in at least two of the following ways: in-person, by phone or online. It is important to encourage state leaders to require the availability of applications and application assistance in at least two of the three ways mentioned above.

States can also increase program participation by:

- Waiving requirements for UI, PUA, PUE, and PEUC claimants to show availability for work and that they are searching for work.
- Adopting an alternative base period for applicants to show proof of wage income. The base period is the look-back period a state uses to determine whether a worker has worked long enough and earned enough to qualify for UI benefits.
- Expanding UI benefits for self-employed workers and employees otherwise not covered by unemployment insurance.
- Creating an STC program to help keep workers on the job.