Title II-Assistance For American Workers, Families, and Businesses

Subtitle A-Unemployment Insurance Provisions

The Relief for Workers Affected by Coronavirus Act: Changes in Unemployment Insurance

The Relief for Workers Affected by Coronavirus Act (Title II, Subtitle A of the CARES Act) has made several changes to federal unemployment insurance law. The Act extends benefits to groups of individuals who previously would not have been eligible for unemployment insurance benefits, but whose employment has been adversely affected by the COVID-19 pandemic. The Act also provides a financial supplement for all unemployment insurance recipients.

The Act considers a “covered individual” to be someone who is not eligible for regular, extended, or pandemic emergency unemployment insurance. This includes someone who has exhausted regular or extended benefits, someone who was self-employed, someone who is only seeking part time work, or someone who does not have sufficient work history to establish an unemployment benefit account. A covered individual should still be able to work and available for work according to their state law definitions, except that they must be unemployed, partially employed, or unable to work because:

* They have been diagnosed with COVID-19 or have symptoms and are seeking diagnosis
* A member of their household has been diagnosed with COVID-19
* They are caring for a family or household member with a COVID-19 diagnosis
* They are a primary caregiver, and the school or care facility of the child or other person needing care is closed
* They are unable to get to work because of quarantine
* They are unable to get to work because they have been advised by a health care provider to self-quarantine
* They were scheduled to commence employment and now do not have a job or cannot reach it due to quarantine
* They have now become the breadwinner of the family because the former head of household died because of COVID-19
* They had to quit employment as a direct result of COVID-19
* Their place of employment closed due to COVID-19

Individuals who are able to telework for pay and individuals who are receiving paid leave (even if they meet one of the above criteria) are not covered individuals, and are not eligible for the enhanced benefits under the Act.

A covered individual is entitled to unemployment benefits if they are unemployed, partially employed, or unable to work for weeks in which they are not entitled to unemployment benefits for weeks for unemployment, partial employment, or inability to work for the above listed reasons from January 27, 2020 through December 31, 2020, and as long as they meet the aforementioned standards. However, no recipient of unemployment benefits, including individuals covered by the Act, may exceed 39 weeks of benefits, including any week in which they received regular or extended state or federal unemployment benefits. If the federal government extends the number of weeks available under federal extended benefits, these individuals will receive the additional weeks as well.

The federal government has ordered the states to administer unemployment insurance as regulated by the Act, with the stipulation that state do not enforce a waiting week for benefits, and that states must allow telephone and online applications for benefits. States are permitted to eliminate personnel standards on a merit basis until December 31, 2020, and the federal government has encouraged states to rehire retirees and former employees to assist with the sharp increase in benefit claims.

Benefit recipients will receive the weekly benefit amount and maximum benefit amount that they would normally receive under state law. All states are prohibited from reducing what would have been the weekly benefit amount or maximum benefit amount as calculated for a given recipient on January 1, 2020. Benefit recipients will also receive federal pandemic unemployment compensation, which is $600 weekly in addition to the weekly benefit amount. The states are reimbursed for this amount from the federal government. States are permitted to pay the two amounts together or separately, but both the federal pandemic unemployment compensation and the regular unemployment benefit amount must be paid weekly. Federal pandemic unemployment compensation is not considered income for the purposes of benefits such as Medicaid and CHIP.

States may also enter into an agreement with the federal government to provide pandemic emergency unemployment compensation. Pandemic emergency unemployment compensation is paid to those who have exhausted their rights to unemployment benefits, meaning that they have either received all regular benefits based on wages during their based period, or their benefit year has expired. Their benefit year may not have expired prior to July 1, 2019, they must not be receiving unemployment benefits from Canada, and they must be able to work, available to work, and actively seeking work. Benefit recipients are expected to actively apply for employment and keep a work search record, but states are expected to be flexible due to illness and quarantine concerns. The total amount available in a pandemic emergency unemployment compensation amount is 13 times the weekly benefit amount, including federal pandemic unemployment compensation.

The federal government will now also begin reimbursing states for all benefit paid to shared work programs. Shared work programs operate in 27 states as an alternative to layoffs. Employers reduce employee hours, and employees collect unemployment benefits for the hours unworked. Employers must be registered with the appropriate state agency to implement a shared work program, and the program must be approved.