



## **Summary of the UI Provisions in the [American Rescue Plan Act of 2021](#)**

(H.R. 1319 signed by President Biden on March 11, 2021)

### **Secs. 2305 and 9663 – Affordable Care Act Amendments for Individuals Receiving UI in 2021**

- Provides Affordable Care Act (ACA) eligibility for one year for individuals receiving unemployment insurance in 2021 with premium subsidies as a tax credit equivalent to a person earning up to 133% federal poverty level. Under section 9663, the Secretary of the Treasury will determine required documentation of receipt of “unemployment compensation” for the ACA tax credit subsidy.

### **Sec. 9011 - Pandemic Unemployment Assistance (PUA)**

- Extends PUA through September 6, 2021.
- Increases the maximum duration of PUA benefits from 50 to 79 weeks.
- Adds hold harmless provision for PUA payments made to individuals that become eligible for PEUC by the amendments in this Act on the date of enactment.
- Adds effective date: “No amount shall be payable by virtue of such amendments with respect to any week of unemployment ending on or before March 14, 2021.”

### **Sec. 9012 - Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations**

- Extends federal funding for reimbursers until September 6, 2021.
- Increases the reimbursement rate from 50% to 75% for the amounts of compensation paid for weeks of unemployment beginning after March 31, 2021, and ending on or before September 6, 2021.

### **Sec. 9013 - Federal Pandemic Unemployment Compensation (FPUC)**

- Extends the FPUC benefit of \$300 per week until September 6, 2021.
- **This extension includes Mixed Earner Unemployment Compensation (MEUC).**

### **Sec. 9014 – Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week.**

- Extends full federal funding of the first week of compensable regular unemployment for States with no waiting week until September 6, 2021.

- Repeals the partial reimbursement section enacted in the Continued Assistance for Unemployed Workers Act of 2020.
- Reinstates temporary full federal funding of the first week of compensable regular unemployment for States with no waiting week.
- Allows States to “reenter the agreement with the Secretary and retroactively pay for the first week of regular compensation without a waiting week consistent with State law (including a waiver of State law) and receive full reimbursement for weeks of unemployment that ended after December 31, 2020.”

**Sec. 9015 - Emergency State Staffing Flexibility**

- Extends emergency state staffing flexibility to September 6, 2021.
- Includes new language: “If a State modifies its unemployment compensation law and policies, subject to the succeeding sentence, with respect to personnel standards on a merit basis on an emergency temporary basis as needed to respond to the spread of COVID–19, such modifications shall be disregarded for the purposes of applying section 303 of the Social Security Act and section 3304 of the Internal Revenue Code of 1986 to such State law. Such modifications shall only apply through September 6, 2021, and shall be limited to engaging of temporary staff, rehiring of retirees or former employees on a non-competitive basis, and other temporary actions to quickly process applications and claims.”

**Sec. 9016 - Pandemic Emergency Unemployment Compensation (PEUC)**

- Extends PEUC through September 6, 2021.
- Increases the maximum duration of PEUC benefits from 24 to 53 weeks.
- Extends the special rule that provides a state with the option to have eligibility period for EB begin after exhaustion of PEUC, assuming there is an “on” for EB period, for weeks of unemployment following the date of enactment until September 6, 2021.
- Adds effective date: “No amount shall be payable by virtue of such amendments with respect to any week of unemployment ending on or before March 14, 2021.”

**Sec. 9017/9018 - Temporary Financing of Short-Time Compensation Payments in States**

- Extends temporary financing of short-time compensation payments to September 6, 2021.

**Sec. 9021 – Temporary Assistance for States with Advances.**

- Extends temporary waiver of interest for states with trust fund loans to September 6, 2021.

**Sec. 9022 – Full Federal Funding of Extended Unemployment Compensation.**

- Extends full federal funding of Extended Benefits to September 6, 2021.

**Sec. 9031 – \$8 Million in Funding for USDOL ETA UI Administration.**

- Appropriates an additional \$8 million to USDOL ETA for fiscal year 2021 for “necessary expenses to carry out Federal activities relating to the administration of unemployment compensation programs.”

**Sec. 9032 – \$2 Billion in Funding for Fraud Prevention, Equitable Access, and Timely Payment to Eligible Workers.**

- Appropriates \$2 billion to the Department of Labor for fiscal year 2021 “to detect and prevent fraud, promote equitable access, and ensure the timely payment of benefits with respect to unemployment programs....”
  - Funds may be used for:
    - Federal administrative costs;
    - “Systemwide infrastructure investment and development”;
    - To make grants to States or territories for UI programs including “the establishment of procedures or the building of infrastructure to verify or validate identity, implement Federal guidance regarding fraud detection and prevention, and accelerate claims processing or process claims backlogs due to the pandemic.”
  - Secretary of Labor may require that states receiving grants use specific “program integrity tools” and conduct user testing on new systems developed by USDOL.

**Sec. 9042 – Suspension of Tax on Portion of Unemployment Compensation**

- Creates a \$10,200 federal tax exclusion for unemployment compensation income for tax year 2020 for households with incomes under \$150,000.

**Sec. 9901 – Coronavirus State and Local Fiscal Recovery Funds**

- New assistance of \$350 billion for state and local recovery.