



Summary of Unemployment Insurance and Workforce Provisions of The Heroes Act

(H.R. 8406 passed by House on October 1, 2020)

On October 1, 2020, House of Representatives passed [The Heroes Act](#), a slimmed-down and updated version of the original HEROES Act that passed in May.

Unemployment Insurance

The Act includes significant changes to the CARES Act's unemployment insurance programs as well as new federal benefits and reporting:

Federal Pandemic Unemployment Compensation (FPUC)

- Provides for Federal Pandemic Unemployment Compensation (FPUC) of \$600 per week from September 5, 2020 to January 21, 2021; includes transitional rule allowing FPUC to be payable until March 31, 2021 for recipients with benefits starting on or before January 31, 2021.
- Provides that FPUC payments are to be disregarded as income for 10 months when determining eligibility for all federally funded benefit programs.

New Proposed Program: Pandemic Emergency Unemployment Extension Compensation

- Creates Pandemic Emergency Unemployment Extension Compensation (PEUEC), an additional 13 weeks of federally funded benefits for individuals who exhaust other benefits before January 31, 2021. The PEUEC program is optional; states may enter into an agreement with USDOL to participate.

New Proposed Benefit: Mixed Earner Unemployment Compensation

- Creates a new federal weekly \$125 benefit payment for individuals receiving regular UI but have at least \$5,000 of self-employment income.

Pandemic Unemployment Compensation (PUA)

- Extends PUA until January 31, 2021.

- Changes two of the Pandemic Unemployment Assistance (PUA) COVID reasons:
 - One from “that is closed as a direct result of the COVID-19 public health emergency” to “because the school or facility is closed or only partially reopened due to COVID-19, because child or family care is not available or affordable during the hours work is available due to COVID-19, or because physical attendance at the school or facility presents an unacceptable health risk for the household or the individual in need of the care due to COVID-19.”
 - The adds the following underlined language: “the individual’s place of employment is closed or its operations are otherwise curtailed, including by reducing hours of operation, staffing levels, occupancy, or other changes that are recommended or required, as a direct result of the COVID-19 public health emergency”
 - The changes to these two COVID reasons would be effective upon enactment.

- Adds the ability of states to waive PUA overpayments if the payment was “without fault on the part of” the individual and the “repayment would be contrary to equity and good conscience.” The effectiveness of this provision is retroactive to the beginning of PUA.

- Requires certification of the COVID reason weekly; effective 30 days after enactment.

Extensions

- Extends temporary assistance provided to states through interest free loans to June 30, 2021.

- Extends the federal reimbursement to cover Extended Benefits (EB) paid through June 30, 2021.

- Extends Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), federal financing of Short-Term Compensation (STC) programs, and federal reimbursement for first full week of benefits through January 21, 2021.

- Extends the 50% federal reimbursement for governmental entities and nonprofit organizations through June 30, 2021.

Backlog Reporting and Corrective Action Plans

- Requires states to report weekly to USDOL with information on backlog status and reasons for denied claims.
- Requires corrective action plans to address backlogs.

Workforce

The Act would provide roughly \$2.5 billion in supplemental funding through the following existing workforce funding streams.

- \$485 million for WIOA Title I grants for Adult employment and training activities;
- \$518 million for WIOA Title I grants for Youth activities;
- \$597 million for WIOA Title I grants for Dislocated Worker employment and training activities;
- \$500 million for the Dislocated Workers Assistance National Reserve
- \$25 million for Migrant and Seasonal Farmworker Programs
- \$500 million for Wagner-Peyser programs (WIOA Title III).

The HEROES Act would establish a new COVID–19 National Testing and Contact Tracing Initiative. One aspect of this Initiative would provide states and other eligible entities an opportunity to apply for national dislocated worker grants, totaling \$500 million, to assist local boards in both training contract tracers and providing transitional educational, training, and employment opportunities once positions are completed. The legislation would require the Secretary of Labor to award grants within ten days of the receipt of an application.