



High Level Summary of UI Provisions in the CARES Act

Sec. 2102. **Pandemic Unemployment Assistance** (*similar to Disaster Unemployment Assistance – DUA*).

- For an individual not eligible for regular, extended benefits, or Pandemic Emergency Unemployment Compensation (PEUC), including exhaustees.
 - Does NOT include individuals able to telework with pay or individuals receiving paid sick or other leave.
- Individuals must provide “self-certification” that the individual is otherwise able and available to work except that the individual is unable to work because of the following circumstances which all relate to COVID-19:
 - The individual has been diagnosed; or
 - A member of the individual’s household has been diagnosed; or
 - The individual is providing care to a household or family member; or
 - A child or other person for which the individual has primary caregiving responsibility is unable to attend school or another facility as a result of COVID-19; or
 - The individual is unable to reach the place of employment because of a quarantine imposed as a result of the COVID-19 public health emergency; or
 - The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine; or
 - The individual was scheduled to start work and does not have a job as a result of COVID-19; or
 - The individual has become “the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19”; or
 - The individual has to quit their job because of COVID-19; or
 - The individual’s place of employment is closed because of COVID-19; or
 - The individual is self-employed, seeking part-time employment, does not otherwise qualify for benefits, and fits one of the above.
- Effective for weeks of unemployment beginning on or after 1/27/20 and ending 12/31/20.
- Duration: 39 weeks of benefits total INCLUDING regular UI and “extended benefits under any Federal or State law” unless additional EB weeks are added later.
- WBA = UI, subject to DUA minimum + FPUC amount of \$600.
- No waiting week.
- 100% federally funded for benefits and admin expenses.

Treatment of governmental entities and nonprofit programs

Sec. 2103. Emergency unemployment relief for governmental entities and nonprofit organizations.

- USDOL will work with states to allow flexible interpretations of state law relating to timely payment and assessment of penalties and interest.
- 50% federal funding for benefits paid by reimbursable nonprofit and government entities.
- Effective period is weeks of unemployment ending between 3/13/20-12/31/20.

Federal Pandemic Unemployment Compensation - FPUC

Sec. 2104. Emergency Increase in Unemployment Compensation Benefits.

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days' notice.
- **\$600 per week**.
- Flexibility in method of payment but not timing (can be paid with UI or separately, but still weekly).
- Nonreduction rule in effect during FPUC.
- Applicable to regular UI, Extended Benefits (EB), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC).
- 100% federally funded for benefits and administrative expenses.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before July 31, 2020
- Improper Payments
 - Fraud = ineligible for future FPUC, and prosecution.
 - Overpayments without fraud need to be repaid except can be waived if no claimant fault AND "such repayment would be contrary to equity and good conscience."
 - 3 year recovery window.
 - Due process. States must provide opportunity for hearing for any deductions or required repayment.
- FPUC is disregarded for purposes of Medicaid and the Children's Health Insurance Program (CHIP).

First week of Regular UI Benefits Federally Funded

Sec. 2105. Temporary full Federal funding of the first week of compensable regular unemployment for States with no waiting week.

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days' notice.
- 100% federal funding of benefits for first week in states without a waiting week.
- Admin expenses also funded.
- Effective from date of agreement to December 31, 2020.
- Improper Payments:
 - Fraud results in ineligibility for PEUC and is subject to prosecution.
 - Overpayments without fraud need to be repaid except can be waived if no claimant fault AND "such repayment would be contrary to equity and good conscience."
 - 3 year recovery window.
 - Due process. States must provide opportunity for hearing for any deductions or required repayment.

Emergency State Staffing Flexibility

Sec. 2106. Emergency State Staffing Flexibility.

States may temporarily use non-merit staffing through December 31, 2020 for hiring temporary staff or rehiring retirees or former employees on a non-competitive basis.

Pandemic Emergency Unemployment Compensation - PEUC

Sec. 2107. Pandemic emergency unemployment compensation. PEUC

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days' notice.
- **13 weeks of federally funded benefits added to the end of regular UI.**
- Eligibility:
 - Have exhausted all rights to UI under state or federal law; and
 - Must be able to work, available to work, and actively seeking work.
- Weekly benefit amount = prior UI WBA plus FPUC amount.
- 100% federally funded benefits and administrative funding.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before December 31, 2020.
- Nonreduction rule in effect during PEUC.
- Improper Payments:

- Fraud results in ineligibility for PEUC and is subject to prosecution.
- Overpayments without fraud need to be repaid except can be waived if no claimant fault AND “such repayment would be contrary to equity and good conscience.”
- 3-year recovery window.
- Due process. States must provide opportunity for hearing for any deductions or required repayment.

Short Term Compensation Programs (also known as Work Share).

Sec. 2108. Temporary Financing of Short-Time Compensation Payments in States with Programs in Law.

- 100% federal funding for short-term compensation (STC) benefits.
 - Funding for up to 26 x weekly benefit amount.
 - Does not apply to employees hired on a seasonal, temporary or intermittent basis.
- Effective for weeks of unemployment date of enactment through December 31, 2020.
- New state STC programs covered if enacted by state.
- Does not appear to include federal funds for administration, but see Section 2110 below.

Sec. 2109. Temporary financing of short-time compensation agreements.

- 50% federal funding for STC programs NOT currently in state law.
- 50% employer funded, but employer charges disregarded for experience rating
- Includes admin funding for state.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before December 31, 2020.
- If state enacts legislation, may qualify for the 100% funding in section 2108 for weeks after effective date of state legislation.

Sec. 2110. Grants for short-time compensation programs.

- State grants for implementation, improvement, promotion, and enrollment into STC programs.
- \$100M total allocated using Reed Act formula.
 - 1/3 for implementation/improvement.
 - 2/3 for promotion and enrollment.

Sec. 2111. Assistance and guidance in implementing programs.

- Secretary USDOL shall develop model legislation, provide technical assistance and guidance, and establish reporting requirements for STC.

This material is information only and is not legal advice. While we try to maintain accuracy, UI law is subject to interpretation and this document may not constitute the most up to date information.