

## CARES Act: Unemployment Assistance Program Benefits Overview

*Relief for Workers Affected by Coronavirus*

The focus of this summary is to provide an overview of the unemployment insurance protections offered in the legislation from January 27<sup>th</sup>, 2020 through December 31<sup>st</sup>, 2020 as indicated within the CARES Act.

### **Pandemic Unemployment Assistance Program**

Under the Relief for Workers Affected by Coronavirus Act (Subtitle A of Title II of Division A of the CARES Act), there is a temporary Pandemic Unemployment Assistance program which was created to provide:

- payment to those not traditionally eligible for unemployment benefits who are unable to work as a direct result of COVID-19
- enhanced benefits for all workers eligible for unemployment
  - Unlike the Families First Coronavirus Response Act (FFCRA), which only applies to private employers with fewer than 500 employees, **the CARES Act applies to all employers regardless of size.**

The legislation specifies who is covered and eligible in response to special circumstances related to COVID-19.

### **Who's Eligible?**

Those that traditionally are not able to claim unemployment benefits, but are covered under this legislation include:

- Furloughed workers, or out of work directly resulting from COVID-19
- Self employed
- Independent contractors
- Persons seeking part time employment
- Workers in the gig economy
- Anyone lacking sufficient work history to qualify (e.g., recent college grads)
- Persons who have exhausted their unemployment benefits

**Additional coverage is extended for individuals who are unemployed, partially unemployed, unable to, or unavailable to find work because of:**

- a quarantine was imposed as a result of the COVID-19 public health emergency
- advice to self-quarantine by a health care provider
- inability to start a job as scheduled due to the COVID-19 public health emergency
- a new role as “major support for a household” because the breadwinner in the household has died as a direct result of COVID-19
- quitting their job as a direct result of COVID-19

**For employers with more than 500 employees**, where the FFCRA benefits are not eligible due to employee maximum, individuals are also eligible to apply for employment benefits if they meet the following criteria:

- They have been diagnosed with COVID-19, or are experiencing symptoms of COVID-19 that require a medical diagnosis.
- A member of their household has been diagnosed with COVID-19.
- They are providing care for a family member or member of their household who has been diagnosed with COVID-19.
- A member of their household, for which they have primary caregiving responsibility, is unable to attend school or another facility that has been closed as a direct result of the COVID-19 public health emergency (and because of this closure they are unable to work).

### **Length of Benefits**

How long can someone claim benefits if they meet the above conditions as part of this legislation?

- Covered individuals may not claim benefits for more than 39 weeks; the legislation extends state benefits by at least 13 weeks (in addition to the state limits on receiving unemployment payments), and this is in addition to any eligible unemployment benefits provided under Federal or State law

### **Amount of Benefits**

How much are those eligible for benefits under this legislation going to receive in unemployment payments?

- The amount of benefit provided to a covered individual under the Program is equal to the amount of unemployment benefit the covered individual would otherwise be entitled to under Federal or State law,
- plus an additional amount referred to as Federal Pandemic Unemployment Compensation in the amount of \$600 per week (to sunset by July 31st 2020). The additional federal benefit is \$600 in addition to the maximum benefit from the state, as determined by the individual state unemployment program.
- This legislation removes any waiting periods established by state unemployment laws.

### **Exclusions for Benefits**

Is there anything in the legislation that excludes individuals from claiming benefits under this legislation?

- Yes, employees able to telework with pay, or those who have received paid sick leave or other paid leave benefits, are ineligible to receive assistance under the program. (At this time, there is not clear language related to eligibility once paid leave benefits from an employer are exhausted.)

## Administration of Benefits

How are the benefits being administered?

- The benefits are administered by each state upon completing a written agreement with the Secretary of Labor. The Department of Labor will reimburse states for all additional benefit costs and administrative expenses related to providing these benefits.
- Each state's unemployment insurance payment systems and processes vary; therefore, those receiving benefits may receive one check with total payment, or they may receive separate checks that equal the state weekly maximum benefit plus the additional \$600 payment through 7/31/2020.
- Section 2105 of the legislation removes the standard one week waiting period to receive benefits.

## Additional Benefit Considerations

- **Shared work programs:** The Federal Government will fund all shared work programs under existing state plans; additionally, states that do not have this type of program in place can implement a shared work program.
- **Protections in place:** There are protections to recover any funds that may have been distributed to those intending to defraud the spirit and intention of this legislation.
- **Cases of non-income:** The additional compensation provided is not considered income for purposes of determining eligibility for Medicaid and CHIP.

*Should you have any additional questions, please contact a K-Coe advisor. For more business guidance and updates on COVID-19, visit [K-Coe's Resources & Updates](#) page.*