

# Unemployment Insurance Provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

*On March 25, 2020, the U.S. Senate passed the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#); it's expected to be signed into law in the coming days. A nearly \$2 trillion economic stimulus package, the Act provides an estimated \$260 billion in enhanced and expanded unemployment insurance (UI) to millions of workers throughout the country who are being furloughed, laid off, or finding themselves without work through no fault of their own because of the COVID-19 pandemic and our public health response to it.*

*The CARES Act creates three new UI programs: Pandemic Unemployment Compensation, Pandemic Emergency Unemployment Compensation, and Pandemic Unemployment Assistance. All three programs are fully federally funded. This fact sheet will discuss all three, as well as "short-time compensation," laying out what benefits are available to workers who find themselves without any or enough employment or work in these difficult times.*

## A Temporary Boost to Unemployment Compensation

---

The CARES Act temporarily supplements UI benefit amounts and extends the duration of those benefits.

### **Pandemic Unemployment Compensation (PUC)**

From the date the bill is signed through July 31, 2020, all regular UI and Pandemic Unemployment Assistance claimants will receive their usual calculated benefit plus an additional \$600 per week in compensation.

PUC is a flat amount to those on UI, including those who are receiving a partial unemployment benefit check. PUC also goes to those receiving the new Pandemic Unemployment Assistance program described below.

PUC may be paid either with the regular UI payment or at a separate time, but it must be paid on a weekly basis.

PUC is not income for purposes of eligibility for either Medicaid or CHIP.

## **Pandemic Emergency Unemployment Compensation (PEUC)**

The CARES Act also provides an additional 13 weeks of state UI benefits, which will become available after someone exhausts all their regular state UI benefits. All but eight states offer 26 weeks of UI benefits.<sup>1</sup>

To receive PEUC, workers must be actively engaged in searching for work. The bill explicitly provides, however, that “a State shall provide flexibility in meeting such [work search] requirements in case of individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.”

PUC, PEUC, and Pandemic Unemployment Assistance (discussed below) are fully federally funded. States will also receive additional administrative funds to operate these programs.

**Non-Reduction Rule.** There is a “non-reduction rule” in the Act, which means that as long as the states are participating in these programs, they may not do anything to decrease the maximum number of weeks of UI or the weekly benefits available under state law as of January 1, 2020.

**Waiting Week.** In addition, most states have a statutory one-week “waiting period” for people to receive UI benefits. But under the CARES Act, states that waive the one-week waiting period will be fully reimbursed by the federal government for that week of benefits paid out to workers plus the administrative expenses necessary for processing those payments.

## **Emergency Assistance to Reach Workers Typically Left Out**

---

### **Pandemic Unemployment Assistance (PUA)**

Pandemic Unemployment Assistance (PUA) provides emergency unemployment assistance to workers who are left out of regular state UI or who have exhausted their state UI benefits (including any Extended Benefits that might become available in the future). Up to 39 weeks of PUA are available to workers who are immediately eligible to receive PUA. The program will expire on December 31, 2020, unless otherwise extended.

Importantly, this program will provide income support to many workers who are shut out of the state UI systems in this country. In fact, workers who are eligible for state UI are not eligible for the PUA program.

Those eligible for PUA include self-employed workers, including independent contractors, freelancers, workers seeking part-time work, and workers who do not have a long-enough work history to qualify for state UI benefits.

---

<sup>1</sup> The following states provide less than 26 weeks of regular UI benefits: Arkansas, Alabama, Florida, Idaho, Kansas, Missouri, North Carolina, and South Carolina. Source: “Policy Basics: How Many Weeks of Unemployment Compensation Are Available?” Center on Budget and Policy Priorities, 23 March 2020. Available at <https://www.cbpp.org/research/economy/policy-basics-how-many-weeks-of-unemployment-compensation-are-available>. Georgia’s Department of Labor expanded UI benefit duration to 26 weeks on March 26, 2020, <https://www.wtoc.com/2020/03/26/georgia-dept-labor-extends-unemployment-insurance-assistance/>.

(Note that in most states, however, “gig” workers should qualify for regular UI because of the broad definitions of employment in so many state UI laws and should be encouraged and supported in applying for regular UI. States should be encouraged to streamline their applications and to request pay data in bulk from major companies. In states that have passed formal exemptions from UI for transportation network company drivers or app-based workers, PUA will provide crucial benefits.)

Applicants will need to provide self-certification that they are (1) partially or fully unemployed, OR (2) unable and unavailable to work because of one of the following circumstances:

- They have been diagnosed with COVID-19 or have symptoms of it and are seeking diagnosis;
- A member of their household has been diagnosed with COVID-19;
- They are providing care for someone diagnosed with COVID-19;
- They are providing care for a child or other household member who can't attend school or work because it is closed due to COVID-19;
- They are quarantined or have been advised by a health care provider to self-quarantine;
- They were scheduled to start employment and do not have a job or cannot reach their place of employment as a result of a COVID-19 outbreak;
- They have become the breadwinner for a household because the head of household has died as a direct result of COVID-19;
- They had to quit their job as a direct result of COVID-19;
- Their place of employment is closed as a direct result of COVID-19; or
- They meet other criteria established by the Secretary of Labor.

Workers are not eligible for PUA if they can either telework with pay or are receiving paid sick days or paid leave. Unfortunately, workers must be authorized to work to be eligible for PUA, meaning that undocumented workers will not qualify.

The PUA program will run from January 27, 2020 through December 31, 2020. Workers will be eligible for retroactive benefits and can access benefits for a maximum of 39 weeks, including any weeks for which the person received regular UI. But eligibility will sunset on December 31, 2020 absent any extensions.

PUA benefits are calculated the same way as they are for the federal Disaster Unemployment Assistance program under the Stafford Act, which is the model for the PUA program. PUA will have a minimum benefit that is equal to one-half the state's average weekly UI benefit (about \$190 per week).

### **Short-Time Compensation (Work-Sharing)**

---

Short-time compensation (STC), also known as work-sharing, programs help employers avoid layoffs by putting workers on part-time schedules with partial unemployment benefits to help make up for some of the lost income. Under the CARES Act, the federal government will fully reimburse states for all STC programs already in place that conform with the requirements of [Section 3306\(v\)](#) of the Internal Revenue Code. The Act also provides \$100 million in grants to states to implement, improve, and promote STC programs. More information on STC programs can be found [here](#).