

# UNEMPLOYMENT ASSISTANCE

## Title II, Subtitle A of the CARES Act

### OVERVIEW

The CARES Act allows States to provide special pandemic unemployment assistance to furloughed workers and self-employed individuals, make changes to regular unemployment insurance programs, and expand short time compensation programs for workers forced to cut hours. Additionally, the law lowers the unemployment insurance reimbursement requirements for governmental entities and nonprofit organizations, making it easier for them to stay operational.

NOTE: Each State administers their own unemployment insurance program and may or may not include some or all of the new [provisions](#).

- **[Find out which benefits are available in your State:](#)** The Department of Labor's search tool provides an easy way to find out about the specific benefits offered in each State.
- **[Official information from the Department of Labor:](#)** Provides additional information about the changes made to Federal employment law in response to the coronavirus outbreak.

### STATE OPTIONS FOR PANDEMIC UNEMPLOYMENT ASSISTANCE<sup>1</sup>

#### WHO QUALIFIES

- Unemployed individuals
- Partially unemployed individuals (i.e. those forced to work less than full-time to care for someone diagnosed with COVID-19 or care for a child unable to attend school because of COVID-19)
- Self-employed individuals
- Furloughed workers or those unable to work due to the COVID-19 outbreak

#### WHO DOES NOT QUALIFY?

- Anyone able to telework with pay
- Anyone receiving paid leave benefits
- Anyone eligible for any other unemployment benefit (including the new Extended Pandemic Unemployment Insurance Benefit)

#### HOW DOES IT WORK?

- **States can provide special assistance through the end of the year:<sup>2</sup>** The CARES Act makes Federal funds available to States to encourage them to pay eligible individuals Pandemic Unemployment Assistance until December 31, 2020, totaling a person's regular weekly compensation plus an additional \$600 (until July 31, 2020).
- **States can provide a total of 39 weeks of assistance:** States can provide up to 39 weeks in total unemployment assistance<sup>3</sup> during any period of employment disruption occurring between January 27th and December 31st, 2020—with no 7-day waiting period requirement.

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- **States can cover unemployment, partial employment or inability to work:** Periods of employment disruption include any week of unemployment, partial unemployment, or inability to work due to COVID-19.
- **Minimum Level of Compensation Guaranteed:** If an individual's regular compensation is less than 50 percent of the average weekly compensation in the State, then the assistance will total 50 percent of the average weekly compensation in that State.

### EMPLOYEE COMPENSATION FOR REDUCED HOURS

- The CARES Act encourages States to create and support Short -Time Compensation (STC) programs.
- Short-Time Compensation, also known as work-sharing, is an alternative to layoffs for employers experiencing a reduction in available work. STC allows employers to reduce hours of work for employees rather than laying them off. Those employees experiencing a reduction in hours are allowed to collect a percentage of their unemployment insurance benefits to replace a portion of their lost wages.
- Under the bill, the Federal government will cover a State's share of STC benefits until December 31, 2020, provided that such compensation does not pay more than 25 times the weekly compensation of eligible individuals and the benefit is not provided to seasonal or temporary workers.
- More information about State STC programs can be found [here](#).

### RELIEF FOR GOVERNMENTAL ENTITIES AND NONPROFIT ORGANIZATIONS

- The CARES Act reduces the amount by which nonprofit organizations and governmental entities (including tribes) are required to reimburse States for unemployment insurance benefits paid to their workers. Nonprofits and government entities can reduce their reimbursement by up 50 percent through December 31, 2020.
- The provision would also allow the Secretary of Labor to advise States on how to give employers flexibility in making reimbursement payments.
- Additional information will be posted on the Department of Labor's [website](#) when available.

1. Unemployed individuals are also eligible for 26 weeks of regular unemployment insurance benefits (with CARES Act enhancements) and an additional 13 weeks of [Extended Pandemic Emergency Unemployment Compensation](#), as provided through the CARES Act, providing a total of 39 weeks of enhanced unemployment assistance. Enhancements include allowing individuals in most cases to not have to actively search for work.

2. Costs covered by the Federal government.

3. The 39-week cap includes any weeks in which the individual receives regular unemployment insurance benefits and Extended Pandemic Emergency Unemployment Compensation.