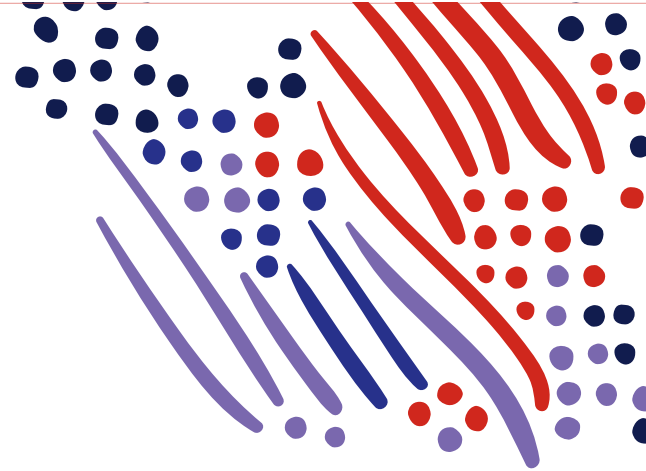


# UIPL 14-20

Issued April 2, 2020

(CARES) Act of 2020 – Summary of Key  
Unemployment Insurance (UI) Provisions  
and Guidance Regarding Emergency State  
Staffing Flexibility



# Disclaimer

This presentation is not:

- Legal advice
- The final word on today's topics
- A political opinion

## Before Taking Any Actions

Before taking any actions on the information contained in this presentation, employers should review this material with internal and/or external counsel.



# Overview

## Program Integrity

- While some of the programs under the CARES Act include new eligibility requirements, individuals are only entitled to benefits if they are no longer working through no fault of their own and individuals must be able and available to work.
- The CARES Act also includes an appropriation of \$26 million to the Office of the Inspector General to conduct oversight and audits.

## Section 2012

### **Pandemic Unemployment Assistance (PUA)** (Section 2102).

This program provides up to 39 weeks of benefits and is available starting with weeks of unemployment beginning on or after January 27, 2020 and ending on or before December 31, 2020. Covers individuals who are:

- self-employed, seeking part-time employment, or whom otherwise would not qualify for regular UC or EB under state or federal law or Pandemic Emergency Unemployment Compensation (PEUC) under section 2107.
- Coverage also includes individuals who have exhausted all rights to regular UC or EB under state or federal law, or PEUC.
- administered similar to Disaster Unemployment Assistance (DUA)
- available in the US, American Samoa, Commonwealth of the Northern Mariana Islands, the District of Columbia, Federated States of Micronesia, Guam, Marshall Islands, Puerto Rico, the Republic of Palau, and the U.S. Virgin Islands, provided the state/territory signs an agreement with the Department

## Section 2013

### **Emergency unemployment relief for governmental entities and non-profit organizations** (Section 2103)

- Provides for transfers to a state's account in the UI trust fund from the Federal Unemployment Account to provide 50% reimbursements
- State and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes
- For weeks of unemployment between March 13, 2020 and December 31, 2020.
- Applies to all payments made during this time period, even if the unemployed individual is not unemployed as a result of COVID-19

## Section 2014

### **Federal Pandemic Unemployment Compensation (FPUC) (Section 2104)**

- Provides an additional \$600 per week to individuals who are collecting regular UI, UCFE, UCX, PEUC, PUA, EB, STC, TRA, DUA, and payments under the Self Employment Assistance (SEA) program
- Available for weeks of unemployment beginning after the date on which the state enters into an agreement with the Department and ending with weeks of unemployment ending on or before July 31, 2020
- Available in the United States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, provided the state/territory signs an agreement with the Department
- Non-reduction rule, which prohibits states from changing the computation method governing regular UC law in a way that results in the reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

## Section 2015

### **Temporary full federal funding of the first week of compensable regular UI for states with no waiting week (Section 2105).**

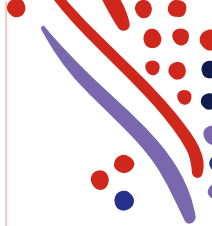
- States which do not require a waiting week and that enter into an agreement with the Department will receive 100 percent federal funding for the total amount of regular UC paid to individuals for their first week of regular UI
- Available for weeks of unemployment beginning after the date on which the state enters into an agreement with the Department and ends with weeks of unemployment ending on or before December 31, 2020

## Section 2016

### **Emergency state staffing flexibility (Section 2106)**

- Provided with limited emergency flexibility regarding the suspension of the requirement to use personnel standards on a merit basis through December 31, 2020.





### **Pandemic Emergency Unemployment Compensation (PEUC) (Section 2107)**

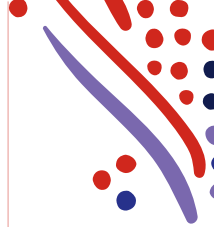
- Provides up to 13 weeks of benefits
- Available for weeks of unemployment beginning after the date on which the state enters into an agreement with the Department and ending with weeks of unemployment ending on or before December 31, 2020
- Covers individuals who...
  - have exhausted all rights to regular UI under state or federal law;
  - have no rights to regular UI under any other state or federal law;
  - are not receiving compensation under the UI laws of Canada; and
  - are able to work, available for work, and actively seeking work
- Non-reduction rule, which prohibits states from changing the computation method governing regular UC law in a way that results in the reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).



## Sections 2018- 2111

### Temporary financing, agreements, and grants for Short-Time Compensation (STC) (Section 2108 through Section 2111)

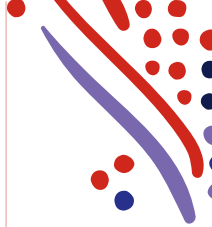
- Lay-off aversion program where an employer reduces the hours for a group of workers to avoid layoffs and these workers receive a partial unemployment benefit payment
- States with an existing STC program may be reimbursed for 100 percent of STC benefit costs, up to a maximum of 26 weeks of STC per individual.
- For states that enact a new STC law after March 27, 2020, reimbursements are available starting with the effective date of the state law enactment and ending with weeks of unemployment ending on or before December 31, 2020
  - Reimbursed for one-half of STC benefit costs, with the employer paying the other half, up to a maximum of 26 weeks of STC per individual
- \$100 million grant to be shared across states for implementation or improved administration, and promotion and enrollment of a state's STC program



### Coordination of Programs.

An individual may establish eligibility for multiple benefit programs, including multiple programs authorized in the CARES Act.

- For an individual who is eligible for regular UI:
  - First apply for and receive regular UI. The amount and duration of these benefits are dependent on state law.
  - If the individual exhausts regular UC, the individual may then be eligible to receive PEUC under section 2107. The duration of these benefits is limited to 13 weeks.
  - If the individual exhausts PEUC and the state has “triggered on” to EB as defined under the Federal-State Extended Unemployment Compensation Act of 1970, the individual may then be eligible to receive EB. The duration of these benefits is up to 13 or 20 weeks, dependent on the state’s unemployment rate and if state law
  - If the state is not “triggered on” to EB or the individual exhausts EB, the individual may then be eligible to receive PUA under section 2104. At least one of the identified COVID-19 related reasons specified in section 2102(a)(3)(A)(ii)(I) must apply to the individual in order to be eligible for PUA. The duration of these benefits is generally limited to 39 weeks, minus any weeks that the individual received from regular UC and EB. The weeks for which an individual collected PEUC will not be deducted from the individual’s PUA entitlement.



### Coordination of Programs (Continued)

- For an individual who is not eligible for regular UC, extended benefits under state or federal law, or PEUC, and who meets the requirements under section 2102(a)(3)(A)(ii)(I)
  - the individual may collect PUA under section 2102.
  - The duration of these benefits is limited to 39 weeks, minus any weeks that the individual may have received from regular UC and EB.
- The Federal Pandemic Unemployment Compensation (FPUC) under section 2104 provides for an additional \$600 per week to an individual collecting regular UC, PEUC, PUA, EB, STC, TRA, DUA, and SEA.
  - Individuals receive FPUC payments concurrently with payments under these programs.
  - Must have agreement between the state and Department
  - applies to all weeks of unemployment ending on or before July 31, 2020.



## Funding for States

### Funding for States.

- For benefit programs included in the CARES Act, full reimbursement of benefits payable for PUA, FPUC, and PEUC will be made available to state agencies through Treasury's ASAP system.
- Federal funding for emergency unemployment relief for governmental entities and nonprofit organizations and temporary full federal funding of the first week of regular compensation for states with no waiting week will be provided for as transfers from the Federal Unemployment Account to state unemployment accounts.
- Eligible reimbursements of STC will be provided on a monthly basis to states through the HHS Payment Management System
- For state administrative expenses, the CARES Act provides for reimbursement of such sums as the Secretary estimates to be necessary.
- More specific information on delivery of administrative expenses in later guidance.

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