
CARES Act: Unemployment Insurance Benefits

Description of Program and Relief

The CARES Act creates a temporary Pandemic Unemployment Assistance program that expands eligibility for unemployment benefits and increases those benefits for certain individuals who are unemployed or unable to work due to the COVID-19 emergency.

The Pandemic Unemployment Assistance provides up to 39 weeks of unemployment benefits through December 31, 2020 for “covered individuals” who are unable to work as a direct result of the COVID-19 emergency. A “covered individual” is an individual who is not eligible for regular unemployment compensation under state or federal law, including those who have exhausted all rights to such benefits. The Department of Labor has clarified in recent guidance that “covered individuals” also include people who are self-employed (including independent contractors), seeking part-time employment, who lack sufficient work history, and those who otherwise do not qualify for regular or extended benefits.

This program also provides an additional \$600 weekly payment to covered individuals through July 31, 2020. Furthermore, non-“covered individuals” receiving paid sick leave or benefits under state law below what they would receive in a customary work week may also be eligible for the Pandemic Unemployment Assistance weekly payment compensation. However, the additional weekly amount may be reduced if such an individual is receiving other compensation or benefits, in accordance with the restrictions set out in Disaster Unemployment Assistance, 20 C.F.R. 625.13. This extra payment amount will not be used in any calculations for eligibility under the Social Security Act Medicaid or CHIP programs.

States are required to verify that self-certifying “covered individuals” are not receiving regular unemployment insurance compensation or benefits. States are also advised to keep in mind that many of the qualifying circumstances may be short-term, such as a quarantine order. A claimant can also no longer claim to have “exhausted” all other rights when a new benefit year begins, and states are supposed to check that status every quarter.

The Secretary of Labor will also establish a process for making unemployment assistance available under this section of the Act for weeks beginning on or after January 27, 2020 and before the date of enactment of the CARES Act. States that choose to pay recipients as soon as they become eligible for unemployment, instead of waiting one week (as is required under some state laws), will be fully reimbursed by the federal government for that first week of benefits, through December 31, 2020.

If a state does not have a short-time compensation program in place, the state can enter into an agreement with the Secretary of Labor to make such payments and be fully reimbursed by the federal government

through December 31, 2020. The Secretary will also reimburse funds and award grants to states that enact or already have existing short-time compensation programs, also through December 31, 2020.

Finally, the Act amends the Railroad Unemployment Insurance Act (the “RUIA”) to expand benefits for eligible employers and employees under the RUIA. The seven-day waiting period under the RUIA will not apply to any registration period through December 31, 2020. A recovery benefit payment of \$1,200 will be made to each qualified employee in addition to the regular unemployment benefits that the person is eligible to receive under the RUIA.

Government or Lead Agency

U.S. Department of Labor

Dates Available

Most provisions in this section of the CARES Act apply through December 31, 2020. The extra weekly payment under the Pandemic Unemployment Assistance program will last until July 27, 2020.

Eligibility Requirements/Restrictions

A covered individual is defined, both in the CARES Act and in subsequent guidance from the Department of Labor, as an individual who is neither eligible for regular paid leave compensation nor has the ability to telework. A covered individual would be otherwise able to work but cannot do so as a result of the COVID-19 emergency, because the individual:

- 1) has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and is seeking a medical diagnosis, and cannot work or telework because of the condition;
- 2) has a household member that has been diagnosed with COVID-19, and the individual is unable to work because of that diagnosis;
- 3) is providing care for a family member or a member of the household who has been diagnosed with COVID-19 who cannot provide care for him or herself;
- 4) is providing primary caregiving to a child or other person in the household who is unable to attend school or another facility that is closed, and such school or facility is required in order for the individual to work, and that individual is required to remain at home to care for the child or other person (including someone who can telework but cannot do so because of the ongoing and constant attention needed for caregiving);
- 5) is unable to reach the place of employment because of an imposed quarantine, and reaching the place of employment would require the violation of a state or municipal order;

- 6) is unable to reach the place of employment because the individual has been advised by a health-care provider to self-quarantine, such as someone who had direct contact with another person who tested positive for the coronavirus, or whose immune system is compromised by virtue of a serious health condition;
- 7) was scheduled to commence employment and does not have a job or is unable to reach the job;
- 8) has become the breadwinner or major support for a household because the head of the household has died from COVID-19;
- 9) has to quit his or her job as a direct result of COVID-19, for example if the individual is objectively unable to perform his or her essential job functions;
- 10) is employed at a location that is closed as a direct result of COVID-19;
- 11) meets any additional criteria established by the Secretary of Labor for unemployment assistance under this section, such as an independent contractor who cannot work or whose employment is severely limited due to the COVID-19 emergency (e.g. a driver for a ridesharing service who has been forced to suspend operations); or
- 12) is self-employed, seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for regular unemployment or extended benefits.

To be eligible for short-time compensation, an individual:

- 1) must have exhausted all rights to regular compensation under state and federal law;
- 2) have no rights to regular compensation;
- 3) cannot be receiving compensation under Canadian law; and
- 4) is able and available to work, and actively seeking work (meaning the person is registered for employment in the state, has engaged in an active search for work, and has maintained a record of the work search that can be provided to a state agency upon request).

The RUIA applies to corporations and associations involved in the transportation of passengers or property by railroad, not including interurban or suburban electric railways.

List of Additional Information

<https://www.dol.gov/coronavirus>

<https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>

https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20.pdf