



**High Level Summary of UI Provisions in the CARES Act**  
(as passed in Senate 3/25/20)

**Sec. 2102. Pandemic Unemployment Assistance** (*similar to Disaster Unemployment Assistance – DUA*).

- For an individual not eligible for regular, extended benefits, or Pandemic Emergency Unemployment Compensation (PEUC), including exhaustees.
  - Does NOT include individuals able to telework with pay or individuals receiving paid sick or other leave.
- Individuals must provide “self-certification” that the individual is otherwise able and available to work except that the individual is unable to work because of the following circumstances which all relate to COVID-19:
  - The individual has been diagnosed; or
  - A member of the individual’s household has been diagnosed; or
  - The individual is providing care to a household or family member; or
  - A child or other person for which the individual has primary caregiving responsibility is unable to attend school or another facility as a result of COVID-19; or
  - The individual is unable to reach the place of employment because of a quarantine imposed as a result of the COVID-19 public health emergency; or
  - The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine; or
  - The individual was scheduled to start work and does not have a job as a result of COVID-19; or
  - The individual has become “the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19”; or
  - The individual has to quit their job because of COVID-19; or
  - The individual’s place of employment is closed because of COVID-19; or
  - The individual is self-employed, seeking part-time employment, does not otherwise qualify for benefits, and fits one of the above.
- Effective for weeks of unemployment beginning on or after 1/27/20 and ending 12/31/20.
- Duration: 39 weeks of benefits total INCLUDING regular UI and “extended benefits under any Federal or State law” unless additional EB weeks are added later.
- WBA = UI, subject to DUA minimum + FPUC amount of \$600.
- No waiting week.

- 100% federally funded for benefits and admin expenses.

### **Treatment of governmental entities and nonprofit programs**

Sec. 2103. Emergency unemployment relief for governmental entities and nonprofit organizations.

- USDOL will work with states to allow flexible interpretations of state law relating to timely payment and assessment of penalties and interest.
- 50% federal funding for benefits paid by reimbursable nonprofit and government entities.
- Effective period is weeks of unemployment ending between 3/13/20-12/31/20.

### **Federal Pandemic Unemployment Compensation - FPUC**

Sec. 2104. Emergency Increase in Unemployment Compensation Benefits.

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days notice.
- **\$600 per week**.
- Flexibility in method of payment but not timing (can be paid with UI or separately, but still weekly).
- Nonreduction rule in effect during FPUC.
- Applicable to regular UI, Extended Benefits (EB), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC).
- 100% federally funded for benefits and administrative expenses.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before July 31, 2020
- Improper Payments
  - Fraud = ineligible for future FPUC, and prosecution.
  - Overpayments without fraud need to be repaid except can be waived if no claimant fault AND “such repayment would be contrary to equity and good conscience.”
  - 3 year recovery window.
  - Due process. States must provide opportunity for hearing for any deductions or required repayment.
- FPUC is disregarded for purposes of Medicaid and the Children’s Health Insurance Program (CHIP).

### **First week of Regular UI Benefits Federally Funded**

Sec. 2105. Temporary full Federal funding of the first week of compensable regular unemployment for States with no waiting week.

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days notice.
- 100% federal funding of benefits for first week in states without a waiting week.
- Admin expenses also funded.
- Effective from date of agreement to December 31, 2020.
- Improper Payments:
  - Fraud results in ineligibility for PEUC and is subject to prosecution.
  - Overpayments without fraud need to be repaid except can be waived if no claimant fault AND “such repayment would be contrary to equity and good conscience.”
  - 3 year recovery window.
  - Due process. States must provide opportunity for hearing for any deductions or required repayment.

### **Emergency State Staffing Flexibility**

Sec. 2106. Emergency State Staffing Flexibility.

States may temporarily use non-merit staffing through December 31, 2020 for hiring temporary staff or rehiring retirees or former employees on a non-competitive basis.

### **Pandemic Emergency Unemployment Compensation - PEUC**

Sec. 2107. Pandemic emergency unemployment compensation. PEUC

- Optional for states. States may enter into an agreement with USDOL to participate and may terminate any agreement upon 30 days’ notice.
- **13 weeks of federally funded benefits added to the end of regular UI.**
- Eligibility:
  - Have exhausted all rights to UI under state or federal law; and
  - Must be able to work, available to work, and actively seeking work.
- Weekly benefit amount = prior UI WBA plus FPUC amount.
- 100% federally funded benefits and administrative funding.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before December 31, 2020.
- Nonreduction rule in effect during PEUC.

- Improper Payments:
  - Fraud results in ineligibility for PEUC and is subject to prosecution.
  - Overpayments without fraud need to be repaid except can be waived if no claimant fault AND “such repayment would be contrary to equity and good conscience.”
  - 3-year recovery window.
  - Due process. States must provide opportunity for hearing for any deductions or required repayment.

**Short Term Compensation Programs (also known as Work Share).**

Sec. 2108. Temporary Financing of Short-Time Compensation Payments in States with Programs in Law.

- 100% federal funding for short-term compensation (STC) benefits.
  - Funding for up to 26 x weekly benefit amount.
  - Does not apply to employees hired on a seasonal, temporary or intermittent basis.
- Effective for weeks of unemployment date of enactment through 12/31/20
- New state STC programs covered if enacted by state.
- Does not appear to include federal funds for administration, but see Section 2110 below.

Sec. 2109. Temporary financing of short-time compensation agreements.

- 50% federal funding for STC programs NOT currently in state law.
- 50% employer funded, but employer charges disregarded for experience rating
- Includes admin funding for state.
- Applicable to weeks of benefits beginning after the date on which the agreement is entered into, and ending on or before December 31, 2020.
- If state enacts legislation, may qualify for the 100% funding in section 2108 for weeks after effective date of state legislation.

Sec. 2110. Grants for short-time compensation programs.

- State grants for implementation, improvement, promotion, and enrollment into STC programs.
- \$100M total allocated using Reed Act formula.
  - 1/3 for implementation/improvement.
  - 2/3 for promotion and enrollment.

Sec. 2111. Assistance and guidance in implementing programs.

- Secretary USDOL shall develop model legislation, provide technical assistance and guidance, and establish reporting requirements for STC.