

UNEMPLOYMENT PROVISIONS IN THE CARES ACT

On Friday March 27, 2020, Congress passed comprehensive legislation to ensure American workers are protected during the COVID-19 crisis. The legislation includes \$260 billion to buffer unemployment benefits and expand programs for individuals in need.

Additional Pandemic Unemployment Compensation

Through July 31, 2020, the federal government will provide Federal Pandemic Unemployment Compensation (FPUC) of \$600 a week for any worker eligible for state or federal unemployment compensation benefits. The FPUC is in addition to regular unemployment benefits.

The FPUC, combined with the underlying state unemployment benefit, <u>would replace 100</u> <u>percent of wages for the average U.S. worker</u>. It also won't affect eligibility for Medicaid or the Children's Health Insurance Program. State UC programs will be fully reimbursed for the cost of administering the supplement and for the cost of the supplement itself.

13 Weeks of Additional Emergency Unemployment Compensation

All states will be eligible to provide an additional 13 weeks of unemployment benefits to workers who need beyond what is provided for in state and federal law.

Pandemic Unemployment Assistance Expands Unemployment Eligibility

States will be permitted to <u>expand eligibility for unemployment to workers not normally eligible</u>, <u>so long as their unemployment was connected to the COVD-19 pandemic</u>. <u>This expands</u> <u>eligibility to self-employed individuals, independent contractors, "gig economy" employees, and individuals unable to start new jobs or contracts due to the pandemic</u>. Individuals can apply for these temporary new federal benefits at the state UC office.

Unemployment Support for Nonprofit Organizations and State, Tribal, and Local Government

Most nonprofits, Indian Tribes, and governmental entities do not pay per-worker unemployment taxes and instead have "reimbursable arrangements" with state unemployment programs, which requires them to reimburse the state for 100 percent of the cost of unemployment compensation paid to their furloughed or laid off workers. During the period of the national emergency, the federal government will pay 50 percent of the reimbursement for those workers so that their employers could follow public health recommendations. Workers at these organizations are also eligible for the Federal Pandemic Unemployment Compensation supplement (\$600-a-week).

State Unemployment Trust Fund

\$1,000,000,000 will go directly to states' Unemployment Trust Fund. Funds to states may be used for the administration of its unemployment compensation law, including ensuring adequate resources in periods of high demand.