



AFSCME Facts

Extension of Unemployment Benefits for Workers Affected by COVID-19 January 12, 2021

The lame duck legislative deal in Congress, known as the Consolidated Appropriations Act (CAA), 2021, extends for several months the temporary COVID-19 unemployment insurance (UI) benefits that were due to expire at the end of 2020 and includes several other significant UI changes.

What are the key provisions of UI Benefit changes?

All of the temporary COVID-19 UI benefits in effect through the end of 2020 were extended at least through mid-March. These benefits originally were enacted in the Coronavirus Aid, Relief and Economic Security (CARES) Act early last year. Workers receiving UI benefits during this time will get an extra \$300 per week on top of their UI checks, in the same way workers had received an extra \$600 per week until the end of July 2020. In addition to paying for these temporary benefits, the federal government will continue to pay UI programs for 100% of the cost of existing short-term compensation (or work sharing) programs and 50% of the cost of benefits owed by most governmental employers and some not-profits.

What types of assistance does the CAA provide for unemployed workers?

Types of Help	Who Gets What and When	What It's Called
Unemployment Insurance (UI) Benefits for a Longer Time	Workers who have used up their regular state UI benefits get an extra 24 weeks of UI through March 14, 2021, or, for workers who have not reached the maximum number of weeks, through April 5, 2021.	Pandemic Emergency Unemployment Compensation (PEUC)
Help for Workers Who Do Not Get UI	Workers left out of traditional state UI or workers who have used up their regular or extended state UI or PEUC get benefits for up to 50 weeks (ending on March 14, 2021, or, for workers who have not reached the maximum number of weeks, through April 5, 2021) if they lost work for COVID-19-related reasons. Benefit amounts are calculated using the regular UI formula or special rules for workers whose benefit cannot be determined using that calculation. The minimum benefit is 50% of the state's average UI benefit.	Pandemic Unemployment Assistance (PUA)
A Bigger Benefit	Workers receiving regular and any extended UI, PEUC, PUA or a new Mixed Earner Unemployment Compensation (MEUC) benefit get an <i>additional \$300 per week</i> after a state agrees to provide this benefit until March 14, 2021.	Federal Pandemic Unemployment Compensation (FPUC)

Who qualifies for traditional UI and for how long?

Each state sets its own guidelines for eligibility for UI benefits, but workers usually qualify if they:

- ***Are unemployed through no fault of their own.*** In most states, this means you have to have left your last job due to a lack of available work. Workers also can be eligible in some cases if they are partially unemployed because they have had their hours reduced.
- ***Meet work and wage requirements.*** You must meet your state's requirements for wages earned or time worked during an established time period before becoming unemployed or partially unemployed.
- ***Meet any additional state requirements.*** A state may set other conditions for eligibility.

Workers might not qualify for UI for varying reasons. For some, such as self-employed people, their work might not be covered by the UI program. Others might not have earned enough or worked long enough or might be seeking part-time work. Also, the reason they separated from their last job may not qualify them (e.g., if they quit their job to care for a family member).

Regular UI benefits are available for as long as 26 weeks, depending on state law. After the initial period expires for regular UI, workers may be eligible for Extended Benefits. The basic Extended Benefits program provides up to 13 additional weeks of benefits when a state is experiencing high unemployment. Some states have also enacted a voluntary program to pay up to seven additional weeks (20 weeks maximum) of Extended Benefits during periods of extremely high unemployment.

What temporary help may be available for workers who qualify for traditional UI benefits?

Workers who qualify for traditional UI might get four major kinds of additional help:

- ***Federal Pandemic Unemployment Compensation (FPUC).*** An *extra \$300 a week* for anyone receiving traditional UI, PEUC, PUA or MEUC beginning the week ending January 3, 2021, through March 14, 2021. Everyone who is eligible receives the full \$300, even those receiving a partial unemployment check.
- ***Pandemic Emergency Unemployment Compensation (PEUC).*** An *extra 24 weeks* of benefits after regular state UI benefits run out and available no later than March 14, 2021, or, for workers who have not exhausted their benefits, through April 5, 2021. PEUC beneficiaries also receive the extra \$300 weekly FPUC benefit through March 14, 2021.
- ***Pandemic Unemployment Assistance (PUA).*** A benefit for workers who have used up their regular or extended state UI or PEUC get PUA benefits for up to 11 weeks (ending on March 14, 2021, or, for workers who have not reached the maximum number of weeks, through April 5, 2021) PUA recipients will also automatically receive the extra \$300 weekly FPUC benefit through March 14, 2021.

Many states that usually require newly unemployed workers to wait one week before receiving benefits waived that requirement when the CARES Act provided full federal funding of that first week. The CAA reduces this federal funding to 50% of the cost of that first week. States also have been encouraged by Congress to ease up on other rules during the crisis, such as the requirement

that someone actively look for work, given the widespread stay-at-home and closure orders around the country.

What types of help are available for workers who do not qualify for traditional UI benefits?

Workers who do not qualify for traditional UI benefits (e.g., regular UI or Extended Benefits) or PEUC—including those who have used up all of those benefits or are self-employed or independent contractors, partially unemployed, seeking part-time employment, lacking enough work history or not otherwise qualified for traditional UI—may be eligible for two kinds of help:

- ***Pandemic Unemployment Assistance (PUA)***. *Up to 50 weeks of benefits* retroactive to January 27, 2020 and ending no later than March 14, 2021, or, for workers who have not reached their benefit maximum, through April 5, 2021. Benefit amounts are generally determined using the regular UI calculation or special rules for workers whose benefit cannot be determined using that calculation (e.g., self-employed workers). PUA provides a minimum benefit equal to 50% of a state's average weekly unemployment benefit.
- ***Federal Pandemic Unemployment Compensation (FPUC)***. An *extra \$300 a week* for anyone receiving PUA, beginning on the date a state agrees to provide this benefit and ending no later than March 14, 2021.

To be eligible for PUA, applicants must show that they are otherwise able to work and available for work, except that they are unemployed, partially unemployed, or unable or unavailable to work due to one of these COVID-19 related reasons:

- They have been diagnosed with COVID-19 or have symptoms of it and are seeking a diagnosis.
- A member of their household has been diagnosed with COVID-19.
- They are providing care for someone diagnosed with COVID-19.
- They are providing care for a child or other household member who cannot attend school or work because it is closed due to COVID-19.
- They are quarantined or have been advised by a health care provider to self-quarantine.
- They were scheduled to start employment and do not have a job or cannot reach their place of employment as a result of a COVID-19 outbreak.
- They have become the breadwinner for a household because the head of household has died as a direct result of COVID-19.
- They had to quit their job as a direct result of COVID-19.
- Their place of employment is closed as a direct result of COVID-19.

The Secretary of Labor also can establish other reasons that would make a worker eligible for PUA but, to date, has not. Workers are not eligible for PUA if they are able to telework with pay or are receiving paid sick days or paid leave. Undocumented workers are also not eligible for PUA. Documented agricultural workers are eligible for PUA.

What other UI changes or extensions are included in the CAA?

The CAA includes some provisions affecting PUA:

- **Waiving PUA Overpayments.** States can choose to waive PUA overpayments made without fault of the claimant or when repayment would violate “equity and good conscience” (e.g., repayment would be painful for the claimant). States can also waive the Lost Wages Assistance (the six-week \$300 benefit authorized through a Presidential Memorandum in August 2020) overpayments under the same circumstances.
- **PUA Hold Harmless Provision.** The CAA holds harmless claimants who were unable to complete new requirements for past weeks of PUA. This mandate forced claimants to certify weekly their COVID-related cause for unemployment.
- **PUA Appeals and Retroactivity.** The legislation allows PUA appeals to be at the state level and limits retroactivity of new PUA claims to December 1, 2020.

The legislation includes some fixes to and extensions of UI provisions in the earlier COVID-19 relief laws:

- **Mixed Earner Unemployment Compensation (MEUC).** This optional provision allows states to provide a federally funded \$100 per week additional benefit to individuals who have at least \$5,000 per year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. MEUC benefits begin the week ending January 3, 2021, and end on March 14, 2021. Claimants also receive the \$300 FPUC supplemental weekly payment until March 14, 2021.
- **Benefit Week Fix.** Claimants can keep collecting benefits based on the original year for which they qualified for UI. This is important for beneficiaries who have reached one year of collecting unemployment — when most state agencies recalculate benefits based on prior-year earnings. During lengthy recessions, this recalculation could result in a significant benefit cut for individuals who had sporadic work or were unemployed for the entire year.
- **Extension of Short-Time Compensation (STC), or Work-Sharing:** The CAA extends full federal funding of work-sharing programs in states with permanent programs in place and 50% federal funding of these programs in states that set up COVID emergency programs.
- **50% Forgiveness for “Reimbursing Employers.”** The legislation extends through March 14, 2021, a CARES Act provision that provides federal support to cover 50% of the costs of unemployment benefits for employees of state and local governments and non-profit organizations.
- **Interest-Free Federal Loans.** States exhausting their trust funds will not have to pay interest on federal loans (for payment of state unemployment benefits) through March 14, 2021. The loans allow states with low balances in their unemployment trust funds to delay employer tax increases or other employer surcharges while the economy is struggling.

Some CAA provisions could add administrative hurdles for applicants and claimants.

- **Documentation requirements.** Effective January 31, 2021, new PUA applicants will have to submit documentation substantiating employment or self-employment within 21 days unless they can prove they had good cause to miss the filing deadline. PUA claimants already receiving the benefit on January 31, 2021, will have 90 days to submit these wage records. The CAA ensures individuals who are otherwise eligible for PUA do not have their benefits terminated because of

inadvertent or state system failure errors in past required weekly benefit recertifications, so long as the state made good faith efforts to implement the program. This could prevent kicking eligible claimants off PUA due to the new documentation requirements.

- ***PUA Identity Verification Systems.*** States must now have procedures in place to verify the identity of PUA applicants and for timely payment of benefits. This identity verification mandate could become a barrier for applicants who do not have access to photo identification.
- ***Return to Work Reporting Requirements.*** The CAA requires states to have methods in place to address situations when UI claimants refuse to return to work or refuse to accept an offer of suitable work without good cause. States must implement a reporting mechanism through which employers notify the state when a job applicant refuses employment. The CAA also requires states to provide claimants with a plain language notice about certain issues, such as state return-to-work laws and a claimant's right to refuse work that poses a risk to the claimant's health and safety.

Does a worker need to be laid off to qualify for help?

No. Workers may also qualify for help, including regular UI, PEUC, PUA and FPUC, if they have been furloughed, had their hours zeroed out (i.e., are not being scheduled for any work) or had their hours cut. Also, PUA is available for certain COVID-19 related reasons that go beyond these circumstances. Those are described in this fact sheet under *What types of help are available for workers who do not qualify for traditional UI benefits?*

When should workers start applying for the types of CAA help?

Individuals who are currently not receiving unemployment benefits should apply for them immediately. Claimants who were already receiving benefits as of December 26, 2020 — the date of CARES Act expiration — may have already seen a gap in benefits due to the delayed signing of the CAA. However, they should receive back payment for weeks for which they were eligible for unemployment benefits. States received guidance on these benefit changes and the addition of the MEUC benefit on December 30, 2020. Although implementation of this program could take time and additional guidance, applicants should not delay applying for benefits.

Workers already receiving regular UI benefits will automatically get the 24 weeks of extra PEUC benefits when their regular benefits run out. PEUC benefits end after 24 weeks of receipt or, if earlier, April 5, 2021. Workers whose regular benefits were exhausted before the PEUC started and those who may be eligible for PUA will have to apply.

No one will have to apply separately for the extra \$300 weekly FPUC benefit. Each state will decide eligibility for FPUC based on a worker's eligibility for the traditional UI programs, PEUC, PUA or the MEUC (in states that choose to implement the program). Workers already receiving UI benefits will automatically receive the extra \$300.

What is short-time compensation (work sharing)?

The federal government will fully reimburse states for all short-time compensation (STC) programs that are already in place. STC programs, also known as work sharing, help employers avoid layoffs by placing workers on part-time schedules while they replace a portion of lost wages

with partial UI benefits. By keeping workers in jobs, STC programs make it much easier to return to regular work when the economy improves. Currently, 27 states (including the District of Columbia) have established STC programs that meet the federal definition of work sharing, of which 26 are currently operational.

What can my state do to maximize benefits for workers and facilitate application processes?

To encourage states to eliminate a one-week waiting period for UI benefits under state statute in most states, the CAA also provides for additional funding for states that waive that waiting period. This federal funding would cover 50% of the UI benefits paid to workers during that week and the administrative expenses of processing those payments. The PUA, FPUC and PEUC programs are fully federally funded. States should eliminate or continue to suspend the one-week waiting period.

States should implement the optional MEUC program to maximize benefits for UI beneficiaries who do not qualify for PUA and have self-employment income.

States can also increase program participation by:

- Waiving requirements for UI, PUA, FPUC, PEUC and MEUC claimants to show availability for work and that they are searching for work.
- Adopting an alternative base period for applicants to show proof of wage income. The base period is the look-back period a state uses to determine whether a worker has worked long enough and earned enough to qualify for UI benefits. States should ensure that claimants who were receiving benefits on December 26, 2020 should be able to use the original benefit year during which they initially qualified for them.
- Expanding UI benefits for self-employed workers and employees otherwise not covered by unemployment insurance.
- Creating an STC program to help keep workers on the job.