

Unemployment Insurance Expansion

Title II, Section A of the CARES Act, “Relief for Workers Affected by Coronavirus Act (RWACA),” provides for a significant expansion of unemployment insurance benefits for persons out of work due to the COVID-19 crisis. Major aspects of the RWACA are described below.

Pandemic Unemployment Assistance for Persons Otherwise Ineligible for Unemployment Benefits

Section 2101 of the RWACA creates a temporary Pandemic Unemployment Assistance (PUA) program effective from January 27, 2020 to December 31, 2020, which covers individuals out of work who would not otherwise be eligible for unemployment insurance benefits (e.g., self-employed individuals, independent contractors, gig workers and persons with an insufficient work history) who are unable to work as a direct result of the COVID-19 crisis. Persons covered under PUA will be eligible for unemployment benefits as long as they can self-certify that they are unemployed, partially unemployed, or unable or unavailable to work because:

1. They have been diagnosed with COVID-19 or are experiencing symptoms of COVID-19 and seeking a medical diagnosis;
2. A member of the individual’s household has been diagnosed with COVID-19;
3. They are providing care for a family member or member of their household who has been diagnosed with COVID-19;
4. A member of their household for whom they have primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of the COVID-19 public health emergency and, as a result, they are unable to work;
5. They are unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID-19 public health emergency;
6. They are unable to work because a health care provider has advised them to self-quarantine due to concerns related to COVID-19;
7. They were scheduled to start work but do not have a job or are unable to reach the job as a direct result of the COVID-19 public health emergency;
8. They have become the breadwinner or major support for a household because the head of household has died as a direct result of COVID-19;
9. They have quit their job as a direct result of COVID-19;
10. Their place of employment is closed as a direct result of the COVID-19 public health emergency; or
11. An individual meets any additional criteria established by the U.S. Department of Labor (DOL) for unemployment assistance under the RWACA.

Individuals who are able to telework with pay or are receiving paid sick leave or other paid leave benefits are ineligible for assistance under PUA.

Emergency Temporary Increase in Unemployment Compensation Benefits

Section 2104 of the RWACA provides for an additional payment of \$600 per week in unemployment insurance benefits to all recipients of unemployment insurance, including those covered under PUA, through July 31, 2020. The \$600 payment is on top of any unemployment benefits an unemployed worker might otherwise be entitled to under federal or state law. In some cases, the combination of regular unemployment benefits and the additional \$600 in Federal Pandemic Unemployment Compensation may exceed an individual’s weekly wage while working.

Temporary Full Funding of the First Week of Unemployment Benefits

Section 2105 of the RWACA creates funding to fully reimburse states that provide unemployment benefits for the first week of unemployment without a one-week waiting period through December 31, 2020. New York State had eliminated its one-week waiting period before enactment of the RWACA.

Emergency Extension of Unemployment Compensation Benefits

Section 2107 of the RWACA provides an additional 13 weeks of unemployment benefits, through December 31, 2020, to individuals who otherwise would be ineligible for benefits because they have exhausted the rights to regular unemployment compensation under applicable federal or state law.

Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations

Section 2103 of the RWACA establishes a program for the Treasury to pay states to reimburse nonprofits, governmental entities and Indian tribes for half the cost they incur to pay unemployment benefits through December 31, 2020.