



## UNEMPLOYMENT INSURANCE INFORMATION

The COVID-19 pandemic has imposed restrictions on all facets of life and its swift ramifications are being felt across the Nation. The importance and need for social distancing has in turn led to economic distancing. This ensuing health and financial crisis is truly unprecedented.

As businesses, both large and small, close many employees are finding themselves in very challenging financial situations. This is especially true for low-wage workers, hourly employees, the unemployed and workers without paid sick leave. The financial crisis, while being felt by everyone, is hitting the hardest for minorities and low-income individuals and families.

Black and Hispanic workers are always disproportionately impacted by the effects of any economic slowdowns. With COVID-19, these workers are being hit especially hard by this sudden economic fallout. The wave of layoffs affecting low and moderate income wage earners in retail stores, hotels, restaurants and bars among others is widespread. Most of those who work in these industries are unable to work from home. They are also less likely to receive sick leave or other paid time off, and have less money saved to help overcome a missed paycheck.

The severity of the financial situation is playing out weekly as claims for unemployment insurance (UI) soar. Initial unemployment insurance claims jumped from 211,000 in the week ending on March 7<sup>th</sup> to 6.6 million in the week ending on March 28<sup>th</sup>. That represents a 3,000% increase in a three week period. These numbers represent a stark realization about the emerging economic crisis; one that Economist forecast will continue to rise throughout the summer with an astounding 20 million workers laid off or furloughed. Unemployment insurance is an essential financial life line to those out of work and those who have their hours reduced.

As Congress and the Administration worked, passed and are enacting the two trillion dollar economic stimulus package, *The Coronavirus Aid, Relief and Economic Security Act*, (CARES) two hundred and sixty billion dollars are earmarked to boost UI payments. Now, workers who were not previously eligible will be able to receive critical UI payments:

- The Pandemic Unemployment Assistance (PUA) has expanded UI coverage to include laid-off employees, the self-employed, independent contractors, freelancers and gig workers. Employees who had to quit jobs for reasons related to the coronavirus are eligible.
- The Pandemic Unemployment Compensation (PUC) is a flat federal amount where eligible workers will get an extra \$600 per week in addition to their state benefit. This will last for a four month period ending July 31, 2020. This extra federal payment is meant to provide an amount close to that of most weekly paychecks. UI payments overall represent only about 32.7% of an average worker's paycheck amount. This extra money will provide for that gap in income. The PUC payment may be received with the weekly UI payment or come as a separate check.
- The Pandemic Emergency Unemployment Compensation (PEUC) has expanded the duration of UI benefits. Many states already provide the standard maximum 26 weeks of benefits, and the new law provides all eligible workers to receive an additional 13 weeks of federally funded benefits. So, participants in states with 26 weeks of UI Benefits would now be eligible for a total of 39 weeks of UI payments. Currently, this year the total amount cannot exceed 39 weeks. All but eight states provide 26 weeks of benefits. (North Carolina 12 weeks, Florida 12 weeks, Missouri 13 weeks, Alabama 14 weeks, South Carolina 20 weeks, Arkansas 20 weeks, Idaho 21 weeks and Montana with 28 weeks).
- States have been incentivized, with federal funds, to waive the customary one-week waiting period to receive UI payments. While that is positive, it's unclear how long it will

actually take to process claims. With the new high demand for UI payments, states are struggling to process them.

- For those new to the UI system, the Department of Labor has a website to answer many questions and it can be found at [CareerOneStop.org](https://www.careeronestop.org) - click on the link for covid-19 unemployment information. State government websites are also updating UI information.

Overall, the spike in claims for unemployment illuminates the widespread economic harm this pandemic is causing for working individuals and families. While the current stimulus packages are helpful, it simply will not be enough and additional help will clearly be needed to curb what will be mounting economic damage! Policymakers in every state must work to ensure that they are protecting public health while reducing economic harm to workers.

As the largest numbers of people, in the history of the UI program, apply for unemployment insurance we find that the UI system is not designed to handle the surge in claims. Many state websites are old, and have not been properly updated, and as a result of this demand are crashing. Applicants are reporting these websites are not allowing users to complete their UI applications and/or are being unnecessarily timed out. Further, telephone systems are also proving to be incapable of processing the call volume. Add to all of that, several of the required questions are not applicable to the new coronavirus situation. Unfortunately, frustration grows for many trying to get their unemployment insurance.

Our unemployment insurance brief is a living document that will be updated with new information as it becomes available.

## **Unemployment Insurance Frequently Asked Questions (FAQ)**

### **Who is covered and is eligible to receive unemployment insurance (UI) payments?**

- Coverage includes workers who are unemployed, those who have been laid off, furloughed and part-time workers.

### **Are gig workers, freelancers and independent contractors covered?**

- Yes, under the CARES Act those who are self-employed including freelancers, contractors and gig workers are newly eligible for unemployment benefits.

### **How long will the payments last?**

- The CARES Act provides all eligible workers with an additional 13 weeks of federally funded benefits payable when they exhaust their regular state benefits. So, participants in states with 26 weeks would be eligible for a total of 39 weeks. The total amount cannot exceed 39 weeks, but it may be shorter in certain states depending on their maximum.

The extra \$600 weekly payment will last up to four months, covering weeks of unemployment, ending July 31, 2020.

### **How long will the broader program last?**

- Expanded coverage will be available to workers who were eligible for unemployment benefits for weeks starting on January 27, 2020, and through December 31, 2020.

### **What if I have Covid-19 or need to care for a family member who has it?**

- If you've received a diagnosis, are experiencing symptoms or are seeking a diagnosis and you're unemployed, partly unemployed or cannot work as a result you will be covered. The same goes if you must care for a member of your family or household who has received a diagnosis.

### **My employer shut down my workplace because of coronavirus. Am I eligible?**

- Yes, if you are unemployed, partly unemployed or unable to work because your employer closed down, you are covered under the CARES Act.

**I'm already receiving unemployment benefits so will I receive any help under the new law?**

- Yes, even if you're already receiving unemployment benefits for reasons unrelated to the coronavirus, your state-level benefits will still be extended by 13 weeks. You will also receive the extra \$600 weekly benefit provided by the federal government.

**My unemployment benefits recently ran out can I sign up again?**

- Yes, if you've exhausted your benefits eligible workers can generally reapply. But how much you get, and for how long, depend on the state where you worked. Everyone gets another 13 weeks of UI, along with the extra \$600 payment through July 31, 2020.

**What if I've been advised by a health care provider to quarantine myself because of exposure to coronavirus? And what about broader orders to stay home?**

- People who must self-quarantine are covered. Through the CARES Act, individuals who are unable to secure work because of quarantine imposed restrictions as a result of the outbreak are eligible.

**What if I had to quit my job as a direct result of coronavirus would I be eligible to apply for benefits?**

- If your employer did not lay you off, but you had to quit because of quarantine recommended by a health care provider, or because your child's day care closed and you're the primary caregiver situations like that are covered.

But this provision wasn't intended to cover people who quit (or want to quit) because they fear that continuing to work puts them at risk of contracting coronavirus.

**The breadwinner of my household has died as a result of coronavirus. I relied on that person for financial support and I'm not working is that covered?**

- Yes, you would be covered.