

MEMORANDUM

To: Clients of Shawe Rosenthal LLP

Date: April 15, 2020

Re: Summary of Unemployment Benefits Pursuant to the CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 provides expanded unemployment compensation benefits to individuals affected by COVID-19. A summary of those benefits is provided below. In addition, please consult the following guidance from the U.S. Department of Labor for further information:

- [Unemployment Insurance Program Letter No. 14-20](#) (Summary of all programs)
- [Unemployment Insurance Program Letter No. 15-20](#) (Summary of FPUC program)
- [Unemployment Insurance Program Letter No. 16-20](#) (Summary of PUA program)
- [Unemployment Insurance Program Letter No. 17-20](#) (Summary of PEUC program)

Federal Pandemic Unemployment Compensation - [Unemployment Insurance Program Letter No. 15-20](#)

Section 2104 of the CARES Act provides for a temporary emergency increase in unemployment compensation (UC) benefits, referred to as the Federal Pandemic Unemployment Compensation (FPUC) program. This program provides an eligible individual with \$600 per week in addition to the weekly benefit amount he or she receives from certain other UC programs. The program is administered through a voluntary agreement between a state and the Department of Labor.

When is the \$600 payment available?

FPUC is payable for weeks of unemployment beginning on or after the date on which the state enters into an agreement with the Department. FPUC is not payable for any week of unemployment ending after July 31, 2020 (i.e., the additional \$600 will not be paid after July 31, 2020).

Who is eligible for the \$600 payment?

FPUC is payable to individuals who are otherwise entitled under state or federal law to receive regular UC for weeks of unemployment. The only grounds to deny FPUC to an individual is the individual's ineligibility for one of these benefits.

If the individual is eligible to receive at least one dollar (\$1) of underlying benefits for the claimed week, the individual will receive the full \$600. Thus, even those individuals who are collecting partial unemployment will be eligible to receive the full \$600. However, if a partially employed individual has

earnings for the week that exceed the weekly benefit amount, then that individual receives \$0 in regular unemployment benefits for that week. In such a case, the employee will not receive the \$600 payment.

[Pandemic Emergency Unemployment Compensation - Unemployment Insurance Program Letter No. 17-20](#)

The Pandemic Emergency Unemployment Compensation Program (PEUC) provides up to 13 weeks of benefits to individuals who have exhausted regular unemployment compensation benefits under state or federal law, have no rights to regular unemployment compensation under any other state or federal law, and meet other specific requirements. The program is administered through a voluntary agreement between a state and the Department of Labor.

When is PEUC available?

Benefits become available after the state enters into a voluntary agreement with the Department of Labor and are available through December 31, 2020. Eligible individuals may be provided with up to 13 weeks of PEUC benefits.

Who is eligible for PEUC benefits?

Covered individuals include those who have exhausted all rights to regular unemployment compensation under state or federal law, as well as those who have no rights to regular unemployment compensation under any other state or federal law. In order to be eligible for these benefits, individuals must be no longer working due to no fault of their own, and be able to work, available for work, and actively seeking work (though there is flexibility in this last requirement if individuals are unable to search for work because of COVID-19 including because of illness, quarantine, or movement restriction).

Is the \$600 FPUC payment also available?

Yes, individuals receiving PEUC benefits may also be entitled to the \$600 payments until July 31, 2020.

[Pandemic Unemployment Assistance - Unemployment Insurance Program Letter No. 16-20](#)

Pandemic Unemployment Assistance (PUA) provides up to 39 weeks of benefits to qualifying individuals who are otherwise able to work and available for work within the meaning of applicable state unemployment compensation law, and are unemployed, partially unemployed, or unable or unavailable to work due to one of the COVID-19 related reasons.

When is PUA available?

PUA is payable for weeks of unemployment, partial unemployment, or inability to work caused by certain COVID-19 related reasons (listed below) beginning on or after January 27, 2020, and ending on or before

December 31, 2020. The duration of PUA benefits is generally limited to 39 weeks, minus any weeks of regular unemployment compensation received by the employee.

What amount of PUA benefits is available?

The PUA weekly benefit amount is equal to the weekly benefit amount authorized under state UC law where the individual was employed.

Which individuals are covered by PUA?

Individuals covered by PUA include those who:

- Are not eligible for state or federal unemployment compensation
- Have exhausted all rights to state or federal unemployment compensation
- Are self-employed
- Are seeking part-time employment
- Are lacking sufficient work history

An individual who works as an independent contractor with reportable income may also qualify for PUA benefits if he or she is unemployed, partially employed, or unable or unavailable to work because the COVID-19 public health emergency has severely limited his or her ability to continue performing his or her customary work activities, and has thereby forced the individual to suspend such activities.

What are the requirements for obtaining PUA?

Individuals must demonstrate that they are otherwise able to work and available for work. Additionally, individuals must establish that their unemployment, partial unemployment, or inability to work is caused by certain specified COVID-19 related reasons:

- The individual has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and is seeking a medical diagnosis
- A member of the individual's household has been diagnosed with COVID-19
- The individual is providing care for a family member or a member of the individual's household who has been diagnosed with COVID-19
- A child or other person in the household for which the individual has 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 such school or facility care is required for the individual to work
- The individual is unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID-19 public health emergency
- The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID-19
- The individual was scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of the COVID-19 public health emergency

- 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
- The individual has to quit their job as a direct result of COVID-19
- The individual's place of employment is closed as a direct result of the COVID-19 public health emergency

Is the \$600 FPUC payment also available?

Yes, individuals receiving PUA benefits may also be entitled to the \$600 payments until July 31, 2020.

Coordination of Benefits - [Unemployment Insurance Program Letter No. 14-20](#)

How do these benefits work in tandem?

For an individual who is eligible for regular unemployment benefits:

- (1) He/she must first apply and receive regular unemployment benefits. The amount and duration of such benefits are dependent upon state law.
- (2) If the individual exhausts regular unemployment benefits, he/she may be eligible to receive PEUC, which would provide an additional 13 weeks of benefits.
- (3) Once PEUC benefits have been exhausted, the individual may be eligible to receive PUA, so long as one of the COVID-19 reasons listed above applies. The duration of PUA benefits is limited to 39 weeks, minus any weeks of regular unemployment benefits (but not PEUC) that the individual received.

For an individual who is not eligible for regular unemployment benefits:

- (1) He/she may be eligible for PEUC benefits
- (2) If not eligible for PEUC benefits, then he/she may apply for PUA benefits, so long as one of the COVID-19 reasons listed above applies.