

CARES Act Creates Federal Unemployment Insurance & Compensation Programs To Provide Temporary Relief For Displaced Workers

The Coronavirus Aid, Relief, and Economic Security (CARES) Act has implemented three unemployment insurance programs to provide temporary aid to the millions of workers throughout the country who have been laid off, furloughed or are otherwise unemployed because of the COVID-19 pandemic. These programs are entirely federally-funded and are *in addition to the state-funded unemployment insurance programs and benefits already available. The programs benefit individuals who are already covered by traditional state-operated unemployment insurance, individuals who do not qualify for unemployment insurance, and even those individuals who have already exhausted their unemployment benefits.*

Pandemic Unemployment Compensation (PUC) Program

Individuals eligible for unemployment benefits under their state-run unemployment insurance programs, as well as those displaced workers who are not eligible for such benefits, may receive \$600 per week through the Pandemic Unemployment Compensation program. These benefits are *in addition to any state unemployment benefits which individuals may already be receiving and are without regard to the individual's pre-unemployment earnings level. One practical – and likely unintentional – result of distributing blanket \$600 checks on a weekly basis is that some displaced workers may end up earning more through collecting unemployment benefits than they earned while employed.*

The program runs from March 27, 2020 through July 31, 2020 – the earliest qualifying applicants may receive a weekly \$600 check for up to 4 months under the program. To qualify for these benefits, individuals need only demonstrate that they qualify for unemployment benefits under the state-run program or the Pandemic Unemployment Assistance program described below.

Pandemic Unemployment Assistance (PUA) Program

The Pandemic Unemployment Assistance program was specifically designed to provide relief for unemployed individuals impacted by COVID-19 who are not otherwise covered by traditional state-operated unemployment insurance, either because that individual does not qualify for benefits under the state program or because the individual has already exhausted all such benefits. This program is especially beneficial for those individuals who are typically excluded from state-run unemployment insurance benefits, such as independent contractors or self-employed individuals.

To qualify for PUA benefits, workers must be partially or fully unemployed, or unable to work, because of at least one of the following COVID-19 related circumstances:

- The individual tested positive for COVID-19 or has symptoms and is seeking a medical diagnosis;
- A member of the individual's household tested positive for COVID-19;
- The individual is providing care for a family member or a member of the individual's household who tested positive for 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 COVID-19 and such school or facility is required for the individual to work;
- The individual is unable to reach his or her place of employment because of a quarantine imposed as a direct result of COVID-19;

- The individual is unable to reach his or her place of employment because the individual was 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 COVID-19;
- 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 had to quit his or her job as a direct result of COVID-19;
- The individual's place of employment is closed as a direct result of COVID-19; or
- The individual meets other criteria established by the Secretary of Labor.

Benefits provided to qualifying applicants are calculated in the same way as they are calculated for benefits under the existing federal Disaster Unemployment Assistance Program – *the minimum benefit is equal to one-half of the state's average weekly unemployment insurance benefit. In New York, the minimum benefit is \$104 per week as of January 1, 2020.*

Qualifying applicants may receive up to 39 weeks of benefits, until the program expires on December 31, 2020. Benefits are also retroactively applied to allow individuals to receive benefits for weeks beginning on or after January 27, 2020, even though the CARES Act was signed into law on March 27, 2020.

Pandemic Emergency Unemployment Compensation (PEUC) Program

The Pandemic Emergency Unemployment Compensation program is only available to individuals who have already exhausted their state unemployment insurance benefits. This program extends the same state unemployment insurance benefits for an additional 13 weeks.

While individuals must continue to actively seek employment to qualify for PEUC benefits, this requirement may be relaxed if the individual is unable to seek employment as a result of COVID-19, including testing positive, being quarantined, or subject to other movement restrictions.

Financing and Grants for Short-Time Compensation (STC) Programs

The CARES Act also provides financing and grants to incentivize state governments to implement and promote Short-Time Compensation programs to help employers avoid layoffs. These programs allow employers to place employees on part-time work schedules, and then provides partial unemployment benefits to make up for some of the lost income.

Employers experiencing a temporary reduction in business should take advantage of these programs to temporarily reduce employee hours without losing the employee outright. These programs are especially useful for employers who want to retain talented employees but simply cannot afford to pay their full-time salaries at the moment. STC programs are not available for season, temporary or intermittent employees.

The COVID-19 pandemic is forcing business leaders to make difficult workplace decisions, such as restricting schedules, reducing employee hours, addressing requests for leave and even forcing employers to temporarily or permanently lay off employees. The experienced Labor and Employment attorneys at Kaufman Dolowich & Voluck, LLP are ready to assist you and your business in understanding the federal and state government responses to the pandemic and in finding additional support for your workforce through legislation such as the CARES Act.