

Congress Extends CARES Act Unemployment Insurance

Description

On December 21, 2020, Congress passed an approximately \$900 billion coronavirus relief bill, which, if signed into law, would extend certain unemployment insurance (UI) provisions found in the CARES Act that was passed in March. A portion of the new bill labeled the “Continued Assistance for Unemployed Workers Act of 2020” would extend the following provisions of the CARES Act through **March 14, 2021** and add some additional changes to the programs.

- **Pandemic Unemployment Assistance (PUA):** Provides benefits for an expanded group who are not otherwise eligible for benefits, including those who are self-employed, work as independent contractors and those who have exhausted their rights for regular UI benefits.
- **Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations:** Provides federal funding for half of the amount of benefits paid by certain governmental entities and nonprofits that self-insure on a reimbursement method.
- **Federal Pandemic Unemployment Compensation:** Provides an additional **\$300 per week** in supplemental benefits above what recipients are eligible for under state law. This amount is half of what was provided for under the CARES Act through July 31, 2020.
- **Federal Funding of the First Week of Regular Unemployment Benefits:** Provides funding for states to waive the usual seven-day waiting period for receiving regular benefits so individuals may begin collecting assistance sooner.
- **Pandemic Emergency Unemployment Compensation (PEUC):** Originally extended UI benefits from a maximum of 26 weeks to 39 weeks. Benefits will now be extended for an additional 11 weeks for a combined total of 50 weeks.
- **Short-time Compensation:** Provides additional funding for Short-Time Compensation, also referred to as work share programs, under which employees whose hours have been reduced may receive a reduced UI benefit to make up for lost wages.

The bill would also establish “Mixed Earner Employment Compensation,” which can provide an additional \$100 per week to those with at least \$5,000 in self-employment income to compensate for a lower base UI benefit. Previously, these mixed earners were ineligible for PUA because they received some income from traditional employment, but their self-employment income was not used in calculating their base benefit under state law.

Date Created

December 22, 2020