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