



Summary of CARES Act Unemployment Insurance Benefits

The recently passed CARES Act (H.R.748) contains two separate unemployment provisions, one which applies to individuals already eligible for unemployment compensation under state law, and another that creates a temporary, federally funded “Pandemic Unemployment Assistance” program which provides benefits to individuals who would otherwise be ineligible for benefits under state or federal law.

For individuals already eligible for unemployment compensation and receiving state unemployment benefits, the CARES Act provides an additional \$600 per week in “federal pandemic unemployment compensation.” The extra payment is available April 1 through July 31, 2020. It would be excluded when determining eligibility for Medicaid and the Children’s Health Insurance Program (CHIP).

If individuals are still unemployed after their state employment benefits are exhausted, under the CARES Act, the federal government will provide an additional 13 weeks of pandemic emergency unemployment compensation. These emergency benefits would remain available through December 31, 2020.

The CARES Act also extends unemployment benefits to individuals who are in quarantine, caring for a diagnosed family member, or out of work because their employer closed due to the coronavirus. It also provides benefits to those who are self-employed, have limited work history, or otherwise wouldn’t qualify for unemployment benefits, including “gig economy” workers, independent contractors and self-proprietors. Benefits won’t be provided to individuals who can telework with pay or who are receiving other paid leave benefits. In addition, under this program, individuals do not have to be actively searching for a job to receive the benefits.

The benefit provisions would apply retroactively to January 27 and would remain in place through December 31, 2020. Compensation would be provided without any waiting period.

Individuals affected by the coronavirus can receive pandemic unemployment assistance for as long as 39 weeks, which would include any week for which they receive regular compensation or extended benefits.

Finally, the CARES Act provided funding to reimburse nonprofits and government entities that are not part of the state unemployment system for 50% of the costs they incur through December 31, 2020 to pay unemployment benefits.

FAQ Regarding Unemployment Benefits in the CARES Act

Can individuals access benefits who normally would not be covered?

- Yes. The CARES Act (Sec. 2102) temporarily expands unemployment insurance to cover individuals who are not traditionally covered, including the self-employed, gig workers, independent contractors and workers with irregular work history.

What if an individual has been out of work because of COVID-19 for several weeks already?

- If you exhaust the weeks of unemployment compensation available to you through your state's laws, you will be eligible for an additional 13 weeks of benefits. These benefits will be federally funded, but you will still receive them through your state. This is available immediately through December 31, 2020.

When might those benefits be accessed?

- It depends on the state. Some states do not allow applications for unemployment benefits until after one week of unemployment. However, the CARES Act is providing temporary full federal funding for states to enter into an agreement with the federal government to receive full reimbursement for the total amount of unemployment compensation paid to individuals for their first week of unemployment, provided that the state does not have a waiting week between applying for and receiving benefits, effective until December 31, 2020. Individuals will need to contact their state's unemployment office to determine if there will be a waiting week.

How much will an individual be able to receive of UI?

- The exact amount you can receive through UI depends on your state and your previous earnings. Between now and July 31 an additional \$600 will be added to every unemployment compensation check, so no one will receive less than \$600 per week.

How will the process work? Who will have the authority to distribute funds?

- Under Sec. 2106, Emergency State Staffing Flexibility, states can waive personnel standards through December 31, 2020 to expedite hiring of new staff to process unemployment claims by allowing the hiring of independent contractors to process claims. The states will have the ability to distribute the funds. Individuals will continue to file for UI benefits through their states. In most states, you can apply online.

Are there any restrictions on funds?

- Under Sec. 2103, Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations, the Secretary of Labor can issue guidance to states to provide flexibility for employers in making reimbursement payments.

U.S. Department of Labor Guidance on Applying for Unemployment Insurance

- Applicants should [contact the State Unemployment Insurance agency](#) as soon as possible after becoming unemployed. In some states, one can file a claim by telephone or online.
- When filing for a claim, applicants will be asked for certain information, such as addresses and dates of former employment. To make sure a claim is not delayed, applicants should give complete and correct information.
- Generally, applicants should file their claim with the state where they were employed. If the applicant worked in a state other than the one where they now live or if they worked in multiple states, the state UI agency where they now live can provide information about how to file their claim with other states. They may also click on the link above to find contact information for all states.

