

The Relief for Workers Affected by Coronavirus Act

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The federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), was signed by President Donald Trump on March 27, 2020. The following summary focuses on a portion of that new law, specifically Title II Subtitle A (Relief for Workers Affected by Coronavirus Act (the “Relief Act”)) of the CARES Act, which provides unemployment benefits for certain individuals impacted by COVID-19. The Relief Act drastically alters the unemployment benefits landscape, by both significantly liberalizing the eligibility requirements for individuals to obtain unemployment benefits and by increasing the amount of unemployment benefits for those who are eligible.

Loosened Eligibility Requirements to Receive Unemployment Benefits

The Relief Act provides unemployment benefits to individuals impacted by COVID-19 who traditionally were not eligible for unemployment benefits under state or federal law, including individuals who are self-employed, independent contractors, individuals who have a limited work history, or individuals who have already exhausted all rights to regular or extended unemployment benefits, and who are unemployed, partially un-employed, or unable or unavailable to work because:

- 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 the household because the head of the household has died as a direct result of COVID-19;
- The individual has 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 the COVID-19 public health emergency; or
- The individual meets any additional criteria established by the Secretary for unemployment assistance under this section.

The Relief Act explicitly excludes from eligibility any individual who has the ability to telework with pay or who is receiving paid sick leave or other paid leave benefits, even if the individual meets one of the above qualifications.

Furthermore, the duration of unemployment benefits has been expanded for an additional thirteen weeks after the regular unemployment benefits would normally terminate. Covered individuals are eligible to obtain unemployment benefits under the Relief Act from January 27, 2020 to December 31, 2020, up to a maximum of thirty-nine weeks (the actual number of weeks of compensation will vary from state to state).

Specifically, individuals who have exhausted their rights to regular unemployment benefits will be entitled to an additional thirteen weeks of unemployment benefits (including both regular unemployment benefits and Federal Pandemic Unemployment Compensation, as discussed below) from the date of agreement between the state and the Secretary of Labor until December 31, 2020.

Increased Unemployment Benefits

The Relief Act provides full federal funding for the first week of compensable unemployment benefits through December 31, 2020. The effect of this provision is that individuals who are entitled to receive unemployment benefits may now receive benefits beginning on the Sunday following application for unemployment benefits rather than being subject to a waiting period as established by the applicable state unemployment law.

Individuals who are eligible for unemployment benefits will also receive additional compensation through the Federal Pandemic Unemployment Compensation. This compensation of \$600 per week, fully funded by the federal government, will be paid in addition to the amount an individual is eligible to receive under regular unemployment compensation. This additional compensation will be provided through July 31, 2020. Of importance to certain individuals receiving unemployment benefits, the Federal Pandemic Unemployment Compensation is not utilized in determining whether individuals are eligible for Medicaid or CHIP benefits.

In order for a state to receive federal funding pursuant to the Relief Act, the state is not permitted to reduce the average weekly benefit amount or number of weeks of benefit entitlement.

Further Implications of the Relief Act

Under the Relief Act, the federal government will reimburse government entities and non-profit organizations who self-insure against unemployment claims for one-half of the amount they pay in unemployment benefits between March 13, 2020 and December 31, 2020.

The Relief Act also provides federal funding to states that either currently have or develop a short-term compensation or “work share” program. These work share programs allow for an employee to receive partial unemployment benefits when the employer has reduced the employee’s hours. The objective of this program is to incentivize employers to reduce an employee’s hours rather than to layoff the employee. The specific qualifications under these programs and the funding mechanisms will vary from state to state.

Another portion of the Relief Act provides states with emergency staffing flexibility through December 31, 2020, to hire temporary staff on a non-competitive basis in order to process unemployment applications and claims.

If you have any questions, please contact a member of the Business Team at [SkarlatosZonarich LLC](#):

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