

# DOL Continues to Clarify Scope of CARES Act Unemployment Benefits

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As jobless claims reach record highs, states now have more guidance on how to roll out the emergency unemployment benefits provisions of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The \$2.2 trillion CARES Act aims to help struggling businesses and individuals during the coronavirus pandemic. Among other provisions, the legislation increases the weekly unemployment benefits workers can receive and extends the time they can receive payments. The legislation [also expands eligibility](#) to include independent contractors, gig workers and the self-employed.

On April 10, the U.S. Department of Labor (DOL) [published one of several letters](#) providing states with operating, financial and reporting instructions for Pandemic Emergency Unemployment Compensation (PEUC) and other unemployment provisions of the act.

## 3 CARES ACT UNEMPLOYMENT PROGRAMS



The **Federal Pandemic Unemployment Compensation (FPUC)** program provides an extra \$600 a week in benefits.



The **Pandemic Emergency Unemployment Compensation (PEUC)** program extends eligibility for unemployment benefits by up to an additional 13 weeks.



The **Pandemic Unemployment Assistance (PUA)** program provides unemployment benefits to independent contractors, gig workers and the self-employed.

"The CARES Act provides valuable relief to American workers facing unemployment, including unemployed workers who may not otherwise be eligible for regular unemployment insurance benefits," said U.S. Secretary of Labor Eugene Scalia.

The DOL explained that PEUC authorizes states to provide up to 13 weeks of federally funded unemployment benefits to people who:

- Have exhausted all rights to regular compensation under federal or state law for a benefit year that ended on or after July 1, 2019.
- Have no rights to regular compensation for the week in question under any other federal or state unemployment compensation law or to compensation under any other federal law.
- Are not receiving compensation for the week in question under the unemployment compensation laws of Canada.
- Are able and available to work and actively seeking work (although states must offer flexibility on the "actively seeking work" requirement when there are COVID-19-related constraints).

Notably, states may not charge employers for the PEUC benefits they pay, because such benefits are fully funded by the federal government.

*[Looking for state-specific information? See [State & Local Updates](#)]*

We've rounded up articles and resources from *SHRM Online* and other trusted media outlets on the news.

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Coronavirus and COVID-19

## Who Is Eligible for the Additional \$600 a Week?

The DOL also [issued guidance to states](#) on the Federal Pandemic Unemployment Compensation (FPUC) program, which provides an additional \$600 weekly payment to certain people who are receiving state unemployment compensation. Under the FPUC, individuals must [first apply for and be approved to receive](#) regular state benefits. The department confirmed that anyone who receives an unemployment benefit from the state, whether full or partial, may receive the additional \$600 a week. The DOL noted that "if the individual is eligible to receive at least one dollar (\$1) of underlying benefits for the claimed week, the claimant will receive the full \$600 FPUC." However, people who are not entitled to an underlying benefit for any given week will also not be eligible for FPUC benefits for that week. The additional \$600 is payable through the unemployment benefit week ending on or before July 31. So, in a state where the benefit week ends on a Saturday, FPUC benefits may be paid through July 25, and if a benefit week ends on a Sunday, the FPUC benefits may be paid through July 26.

([Lexology](#))

## Worker Advocates Criticize Narrow Coverage for Gig Workers

The Pandemic Unemployment Assistance (PUA) program, which is another CARES Act provision, aids independent contractors, gig workers and the self-employed who are unable to work because of the coronavirus. Workers who are eligible for PUA are also eligible for the \$600 a week under the FPUC program.

Additional [guidance clarifies](#) that the unemployment benefits are available only when such workers are "forced to suspend operations." Worker advocates argued that this guidance could significantly limit options for gig workers, particularly if the apps they use to find work are still operating. Gig

workers who opt to stay home because they are older or in another vulnerable group also may be ineligible for unemployment benefits unless they have proof that a medical professional advised them to stay home.

Labor Secretary Scalia has said that he doesn't want workers to favor unemployment benefits over working. "We want workers to work, not to become dependent on the unemployment system," he wrote in a joint statement with Jovita Carranza, head of the Small Business Administration. "Unemployment is not the preferred outcome when government stay-at-home orders force temporary business shutdowns."

*([The Washington Post](#))*

## Answering Workers' Questions About Unemployment

Displaced workers should contact their state's unemployment office as soon as possible after becoming unemployed, and they should generally file their claim with the state where they worked (rather than where they live). Although eligible individuals will receive the additional \$600 a week from the federal program, they should note that the underlying state benefits vary by location. The DOL's [Unemployment Benefits Finder](#) and each state's website are helpful resources to find more information about how to apply.

*([CNBC](#))*

## Emergency Relief Funds Throw Employees a Lifeline

While many employees are now eligible for enhanced unemployment insurance payments, others don't qualify or may need additional assistance. Recognizing the resulting hardships, a growing number of employers are attempting to provide emergency relief where they can.

*([SHRM Online](#))*

## Furloughs, Layoffs and Pay Cuts

Businesses that are seeing significant revenue losses due to the coronavirus pandemic are weighing some stark options: furloughs, reductions in hours and pay cuts, or layoffs. Furloughs often are the best option for those that can afford them. But for some, layoffs will be unavoidable. Here's what to consider before deciding which changes make the most sense.

*([SHRM Online](#))*

Visit SHRM's resource page on [coronavirus and COVID-19](#).