



**TAXSAVERS**  
(734) 464-3660  
WWW.AFSTAXSAVERS.COM

The new stimulus package boosts unemployment insurance. This boost will allow people to receive an extra \$600 a week in unemployment benefits for up to 4 months – on top of the amount they get from the State. The relief package would also provide unemployment benefits to self-employed and contract workers, who typically aren't eligible, for up to 39 weeks.

**The three most significant provisions are:**

1. Section 2104, which provides most individuals an emergency increase in traditional unemployment insurance (UI) benefits of \$600 per week through July 31, 2020, likely increasing benefits beyond what many workers were earning before becoming unemployed:

Under this bill, nearly all individuals receiving unemployment benefits would temporarily receive an emergency increase in their weekly benefit of \$600 under Section 2104. This increased benefit would be fully funded by the federal government and available from the date that the state enters into an agreement until July 31, 2020; the state must agree not to decrease the generosity of their existing unemployment benefits. Given that the average benefit is \$364, the average recipient will therefore receive a benefit equal to nearly three times what they would otherwise receive for up to 18 weeks, and potentially more than they were earning while employed. Further, these increased payments will not be considered in determining an individual's eligibility for Medicaid of the Children's Health Insurance Program (CHIP).

2. Section 2102, the Pandemic Unemployment Assistance program, which provides up to 39 weeks of UI to people not otherwise eligible for regular unemployment compensation (including the self-employed and those who have exhausted their regular and extended benefits).

Section 2102 applies to individuals who have exhausted their UI benefits (whether UC or EB or the additional weeks provided under



**TAXSAVERS**

**(734) 464-3660**

**WWW.AFSTAXSAVERS.COM**

Sec 2107), are not eligible for emergency UC under Sec. 2107, and those not traditionally eligible for UC, (such as the self-employed, independent contractors, and individuals who were scheduled to begin work but are now unable), including individuals in the District of Columbia, Puerto Rico, and other territories. These individuals would be provided broad categories of eligibility such that nearly any individual whose employment is adversely impacted by COVID-19 (including individuals who quit their job), other than those able to telework or receiving paid leave, would be eligible for up to 39 weeks of benefits, fully funded by the federal government. These benefits will cover weeks of unemployment from January 27, 2020, to December 31, 2020, that are directly attributable to COVID-19. The weekly benefit amount is equal to the amount that would normally be provided under state law (with a minimum equal to 50 percent of the average weekly payment of regular compensation in the state) plus, through July 31, 2020, \$600 (as provided by Sec. 2104) and any additional increase that may be provided after enactment of this law. For the self-employed, residents of territories besides Puerto Rico or the District of Columbia, and others who would not normally be eligible, the weekly benefit amount is the weekly minimum (50 percent of the average regular compensation in the state) plus \$600.

Seth Harris, former Deputy U.S. Secretary of Labor, describes this aspect of the stimulus package as a “gigantic change.” “It will be harder [to calculate] because these workers don’t have a W-2 or an average weekly wage,” Harris says. “These folks have income that varies dramatically from week to week or month to month.” It’s not clear yet how state benefits will be calculated for these workers; unemployment is traditionally calculated as a percentage of weekly earnings, up to a maximum amount.

3. Section 2107, which creates the Pandemic Emergency Unemployment Compensation program to provide 13 weeks of emergency UI for people



**TAXSAVERS**  
(734) 464-3660  
WWW.AFSTAXSAVERS.COM

who remain unemployed after they have exhausted their benefits or are not otherwise eligible for benefits.

Section 2107 creates the Pandemic Emergency Unemployment Compensation program, which would provide 13 additional weeks of benefits for individuals who have exhausted all rights to regular UC for a benefit year or have no rights to regular compensation, are not receiving compensation from Canada, and are able, available, and actively seeking work. The weekly benefit amount would be equal to the amount that would otherwise be payable under UC, including dependents' allowances, plus the \$600 in additional payments provided by Sec. 2104 through July 31, 2020. The terms and conditions that apply to UC, including active search for work and refusal to accept work, would still apply, although states will be given flexibilities to adjust these requirements as appropriate given the circumstances of the current situation. The federal government would fully fund these benefits. If an individual is eligible for EB, payment of extended compensation must be deferred until after payment of the pandemic emergency compensation; this deferral eases the burden on state finances, though states must maintain existing benefit levels.

### **Generous sick pay and family leave might be available first**

**Sick leave:** Under the law, employees can get 80 hours of sick leave (with part-time workers getting a proportionate share) at full pay, capped at \$511 per day, or an aggregate \$5,110 per worker, if they are unable to work or telework because they are under medical quarantine or medical treatment for COVID-19, suspect they have COVID-19, or are ordered to quarantine at home by the government. That's even more than the new



**TAXSAVERS**

**(734) 464-3660**

**WWW.AFSTAXSAVERS.COM**

unemployment benefits and is the benefit to use if you haven't been laid off or furloughed—but are not working because you're sick.

Under the same law, if you are staying home to care for someone else who has COVID-19, or is suspected of having it, or for a child whose school or day care is closed, the two weeks of sick pay is a rate of two thirds of pay and capped at \$200 a day or an aggregate \$2,000 per worker. On average, that's about what you will get from unemployment, although in individual cases it could be more or less, depending on your state unemployment system and your normal salary.

**Family leave:** Those covered by the act can get up to 12 weeks of family leave (with the first two weeks unpaid) if they must stay home with children whose schools and day care centers have closed because of the pandemic. When the pay kicks in, it's at a rate of two thirds of pay, with a maximum payment of \$200 per day, or an aggregate \$10,000 per worker, in other words, it's a maximum of \$1,000 per week. Again, whether you should use this benefit or claim unemployment will depend on your own circumstances.

While businesses with fewer than 50 employees also are covered, they may get exemptions if the provision causes too much hardship. Most businesses with more than 500 employees, which successfully pushed for exemption from the new law, already offer paid sick leave. Paid family leave is less widespread.

### **The 7-day waiting period to receive benefits could be waived, along with other eligibility requirements**

Traditionally, most states have imposed a seven-day waiting period before newly unemployed workers could start receiving their unemployment benefits. In the new stimulus package, however, the Federal government is stepping in to provide full funding for that first week, should states elect to



**TAXSAVERS**  
**(734) 464-3660**  
**WWW.AFSTAXSAVERS.COM**

waive the waiting period. Presumably, with Uncle Sam paying, most of them would.

Receiving unemployment assistance usually requires individuals to be involuntarily laid off from work, able to work, available to work and to be actively seeking work. But in a time where government officials are requiring people to shelter in place, and businesses are shutting down, these requirements make no sense.

The new stimulus bill appears to make a big change in eligibility rules, too.

According to an unofficial draft circulating on Wednesday, individuals who haven't been laid off, but can't work due to a variety of reasons related to COVID-19, would also be eligible for unemployment checks. These reasons would include a case where they were diagnosed with COVID-19, were awaiting a diagnosis, or had a family member diagnosed with the disease, according to the draft. Additionally, individuals who were scheduled to start a job and could not because their future workplaces had been shut down due to the COVID-19 pandemic, would also be eligible, the draft indicates.

### **Unemployment application systems are overwhelmed—but keep trying**

Unemployment centers are staffed according to last year's unemployment rate, which was at record lows. This means there's a shortage of staff available to help process the sudden uptick in applications, and the websites are easily overwhelmed.

[Click here for more details about the update to unemployment](#)

[Click here to read full Forbes article](#)