



# WAYS AND MEANS

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## **Summary of Key Unemployment Insurance (UI) Provisions in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)**

The Senate economic relief package provides much-needed support for American workers by making a significant investment – approx. \$250 billion – to expand access to unemployment benefits. This funding, plus the \$1 billion in administrative funds Congress provided to states in the [Families First Coronavirus Response](#) package, will make a tremendous difference to help respond to the surge in unemployment claims and keep workers afloat through this crisis.

### **Overview**

- **Helps those not eligible for regular unemployment insurance:**
  - Creates a new Pandemic Unemployment Assistance program to help those not traditionally eligible for UI, such as self-employed and independent contractors, like gig workers and Uber drivers, as well as those who are unable to work or telework as a result of the coronavirus public health emergency.
  - Provides 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.
- **Provides an additional payment to each recipient** – Provides additional \$600/week payment to each UI or Pandemic Unemployment Assistance recipient for 4 months beginning April 1 through July 31, 2020.
- **Supports states who pay individuals quickly** – Provides funding for the 1<sup>st</sup> week of unemployment for states to waive the traditional “waiting week” before benefits begin.
- **Allows for additional weeks of unemployment benefits when needed** – Provides an additional 13 weeks of unemployment to help those who remain unemployed after weeks of state unemployment are exhausted.

- **Assists states in meeting critical staffing needs to get benefits out quickly** – Provides states with temporary, limited flexibility to hire temporary staff or re-hire former staff to quickly process unemployment claims.
- **Helps states maintain and establish programs to prevent layoffs during a downturn** – Provides funding to states to help them maintain short-time compensation programs to prevent layoffs, as well as expand these work sharing programs in the future.

## **CARES Act Unemployment Insurance Section-by-Section**

### **Section 2101. Short Title**

This title is called the Relief for Workers Affected by Coronavirus Act

### **Section 2102. Pandemic Unemployment Assistance**

This section creates a temporary Pandemic Unemployment Assistance program through December 31, 2020 to provide payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work or telework as a direct result of the coronavirus public health emergency.

### **Section 2103. Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations**

This section provides payment to states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020 to pay unemployment benefits.

### **Section 2104. Emergency Increase in Unemployment Compensation Benefits**

This section provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months, through July 31, 2020.

### **Section 2105. Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week**

This section provides funding to pay the cost of the first week of unemployment benefits through December 31, 2020 for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits.

### **Section 2106. Emergency State Staffing Flexibility**

This section provides states with temporary, limited flexibility to hire temporary staff, re-hire former staff, or take other steps to quickly process unemployment claims.

### **Section 2107. Pandemic Emergency Unemployment Compensation**

This section provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of state unemployment benefits are no longer available.

### **Section 2108. Temporary Financing of Short-Time Compensation Payments in States with Programs in Law**

This section provides funding to support “short-time compensation” programs, where employers reduce employee hours instead of laying off workers and the employees with reduced hours receive a

pro-rated unemployment benefit. This provision would pay 100 percent of the costs they incur in providing this short-time compensation through December 31, 2020.

**Section 2109. Temporary Financing of Short-Time Compensation Agreements**

This section provides funding to support states which begin “short-time compensation” programs. This provision would pay 50 percent of the costs that a state incurs in providing short-time compensation through December 31, 2020.

**Section 2110. Grants for Short-Time Compensation Programs**

This section provides \$100 million in grants to states that enact “short-time compensation” programs to help them implement and administer these programs.

**Section 2111. Assistance and Guidance in Implementing Programs**

This section requires the Department of Labor to disseminate model legislative language for states, provide technical assistance, and establish reporting requirements related to “short-time compensation” programs.

**Section 2112. Waiver of the 7-day Waiting Period for Benefits under the Railroad Unemployment Insurance Act**

This section temporarily eliminates the 7-day waiting period for railroad unemployment insurance benefits through December 31, 2020 (to make this program consistent with the change made in unemployment benefits for states through the same period in an earlier section of this subtitle).

**Section 2113. Enhanced Benefits under the Railroad Unemployment Insurance Act**

This section provides an additional \$600 per week payment to each recipient of railroad unemployment insurance or Pandemic Unemployment Assistance for up to four months (to make this program consistent with the change made in unemployment benefits for states in an earlier section of this subtitle).

**Section 2114. Extended Unemployment under the Railroad Unemployment Insurance Act**

This section provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of regular unemployment benefits are no longer available (to make this program consistent with the change made in unemployment benefits for states in an earlier section of this subtitle).

**Section 2115. Funding for the Department of Labor Office of Inspector General for Oversight of Unemployment Provisions**

This section provides the Department of Labor’s Inspector General with \$25 million to carry out audits, investigations, and other oversight of the provisions of this subtitle.

**Section 2116. Implementation**

This section gives the Secretary of Labor the ability to issue operating instructions or other guidance as necessary in order to implement this subtitle, as well as allows the Department of Labor to waive Paperwork Reduction Act requirements, speeding up their ability to gather necessary information from states.