# Summary of Unemployment Compensation Provisions in the CARES Act (P.L. 116-136)

As of April 13, 2020

Prepared by: CGS Public Policy and Government Affairs Staff
Please note this document may be updated/amended and should be considered a working document.

<table>
<thead>
<tr>
<th>Purpose/Intent</th>
<th>Terms of Coverage and Amount</th>
<th>Eligibility Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandemic Unemployment Assistance (PUA)</td>
<td>To cover individuals who “are not eligible for regular compensation or extended benefits under State or Federal law or pandemic emergency unemployment compensation” under section 2107, including an individual who has exhausted all rights to regular unemployment or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107…” Freelancers, gig workers, independent contractors, those</td>
<td>Assistance can be granted for “weeks of unemployment, partial employment, or inability to work caused by COVID-19”: - Beginning on or after Jan. 27, 2020 and ending on Dec. 31, 2020 (can be claimed retroactively) - Maximum coverage of 39 weeks</td>
</tr>
</tbody>
</table>

Sources:
Department of Labor, Pandemic Unemployment Assistance (PUA) Implementation and Operating Instructions. Attachment I to UIPL No. 16-20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Attachment_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Attachment_1.pdf)
without sufficient work history to qualify for regular unemployment compensation* and those who are self-employed may benefit from PUA.

*According to Department of Labor (DOL) guidance (page 3) “lacking sufficient work history” means “an individual 1) with a recent attachment to the labor force 2) who does not have sufficient wages in covered employment during the last 18 months to establish a claim under regular UC [unemployment compensation], and 3) who became unemployed or partially unemployed because of one of the COVID-19 related reasons identified under Section 2102.”

compensation law of the state where the individual was employed.
- This amount may not be less than what the individual would have received under the Federal Pandemic Unemployment Compensation (Sec. 2104)
- Can simultaneously receive up to $600/week through July 31, 2020 via the Federal Pandemic Unemployment Compensation (Sec. 2104 of CARES Act)

• The individual’s “place of employment is closed as a direct result of the COVID-19 public health emergency;”
• “Is self-employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for regular unemployment benefits or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107…”

Ineligible for PUA:
- Workers who are able to telework with pay are not eligible for PUA
- Undocumented workers not eligible for PUA (must be able to prove work authorization)
- Workers receiving paid sick leave or other paid sick leave are not eligible for PUA (certain exclusions apply)

| Federal Pandemic Unemployment Compensation (FPUC) | Sec. 2104 “Emergency Increase in Unemployment Compensation” | To provide an amount of $600 in addition to the unemployment benefits determined under State law, referred to as “Federal Pandemic Unemployment Compensation” | Shall apply to weeks of unemployment—
|beginning after the date on which such agreement is entered into; and ending on or before July 31, 2020. |
| Individuals otherwise entitled under state or federal law to receive regular unemployment compensation |
| Those eligible for Pandemic Unemployment Assistance (PUA) are eligible for Federal Pandemic Unemployment Compensation |
Overarching goal: to provide eligible individuals an additional $600 in unemployment benefits on top of what they receive through July 31, 2020.

According to DOL guidance (page 1), states can enter into voluntary agreements with the Secretary of Labor in order to administer this additional unemployment benefit. Implementation and administrative costs are **100% federally funded**.

- States must provide retroactive payments if they are unable to pay beneficiaries immediately

**Compensation amount** is the amount that an individual would receive as unemployment compensation under state law (including dependents’ allowances) **plus an additional amount of $600**

- Can be administered to those participating in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC).

<table>
<thead>
<tr>
<th>Pandemic Emergency Unemployment Compensation (PEUC)</th>
<th>Sec. 2017 CARES Act (P.L. 116-136)</th>
<th>Allows states to enter into agreements with the Secretary of Labor to <strong>make payments to individuals who have exhausted all rights to regular unemployment compensation</strong> under state or federal law within a benefit year that ended on or after July 1, 2019.</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-federal agreements</td>
<td></td>
<td>Provides individuals 13 additional weeks of unemployment compensation. <strong>Compensation amount:</strong> <strong>Total unemployment:</strong> weekly benefit amount (WBA) equal to amount of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Individuals applying for PEUC must be <strong>actively seeking work</strong>. However, the law states that “a State shall provide flexibility in meeting such requirements in case individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.”</td>
</tr>
</tbody>
</table>
| Overarching goal: to extend 13 additional weeks of unemployment benefits to individuals who have exhausted all rights to regular unemployment compensation. | • Extends benefits for up to an additional 13 weeks

PEUC benefits are **100% federal funded.**

According to DOL guidance (page 1), the PEUC program “allows states to...pay up to 13 weeks so benefits to individuals who...”:
- Have exhausted all rights to regular unemployment compensation under state or federal law;
- Have no rights to regular unemployment compensation under any other state or federal law;
- Are able/available to work and actively seeking work.***

***The law says states must provide flexibility in meeting the “actively seeking work” requirement if an individual’s ability to seek work is impacted by COVID-19.

|  | regular compensation (including dependents’ allowances) and the weekly amount of FPUC.**

**Partial Unemployment:

WBA is equal to amount of regular compensation (including dependents’ allowances) and the weekly amount of FPUC.

Individuals can also receive up to $600 per week under the Federal Pandemic Unemployment Compensation program.

| An individual does not need to have quit their job to receive benefits if their job is impacted by COVID-19 pandemic. |

---

**Discussion: Possible Implications for Graduate Students at the State and Federal Levels**

It is important to note that states are in the process of assessing and amending their own laws regarding unemployment insurance in order to implement new provisions in the CARES Act (P.L. 116-136) and the Families First Coronavirus Response Act (P.L. 116-127). Therefore, the relationship between these new provisions and existing state laws are highly nuanced and are still being examined by experts at the state and federal levels.
levels. Current state eligibility requirements may preclude graduate students from being able to receive benefits, but some may look to expand eligibility given recent events.

The Federal Unemployment Tax Act (FUTA) includes exemptions for categories of employment. According to a December 2019 IRS guide, the following individuals would be exempt from being eligible for UI under federal law:

- “Students enrolled and regularly attending classes, performing services for” a private school, college, or university; a public school, college, or university; or an auxiliary nonprofit organization operated for and controlled by school, college or university (e.g., campus bookstore, hotel, recreation center).
- Full-time students “performing service for academic credit, combining instruction with work experience as an integral part of the program.”
- “Student, scholar, trainee, teacher, etc. as non-immigrant alien.” In other words, holders of F-1, J-1, M-1, and Q-1 visas.

Generally speaking, current FUTA law does not lean in favor of recognizing work or service performed as part of their academic program/degree. A student who holds an unrelated job could apply for unemployment insurance under FUTA.