

CLASP

Policy solutions that work for low-income people

COVID-19 Response Provisions and Public Benefits

April 2, 2020

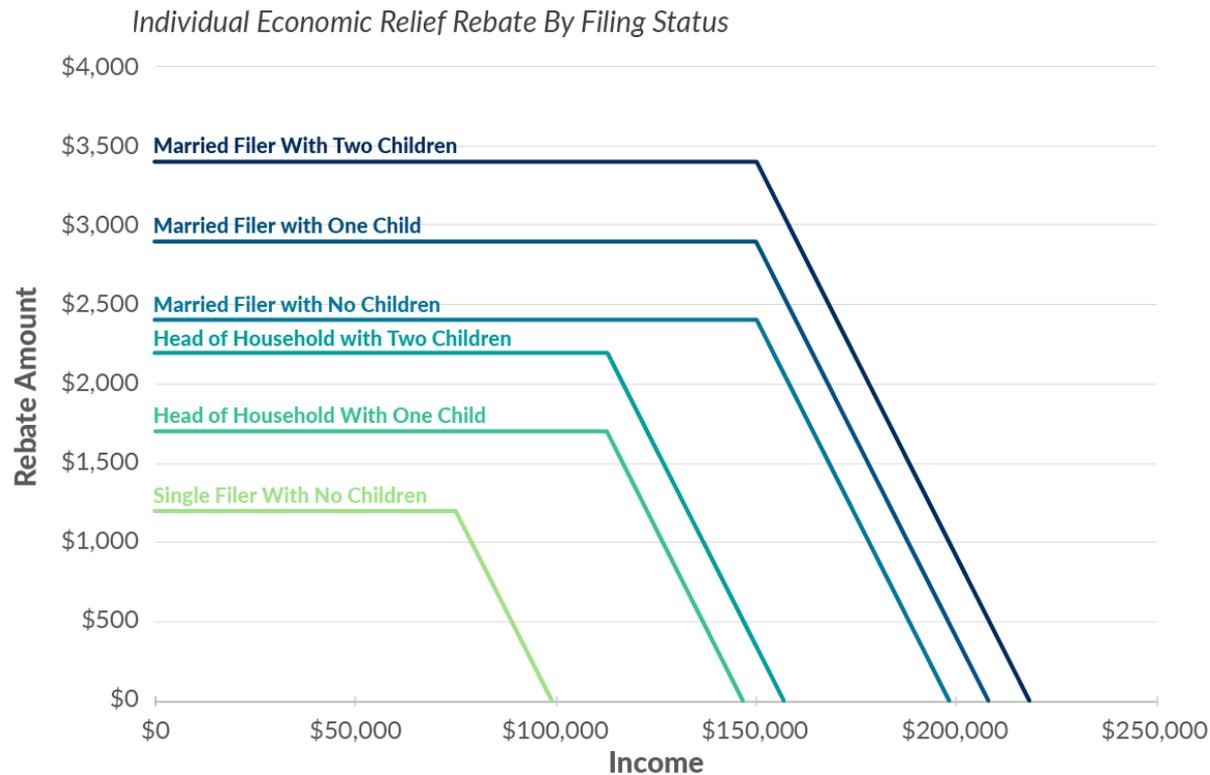
Agenda

- Overview of new programs
 - Economic Impact Payment
 - Emergency Paid Sick Leave
 - Emergency FMLA Expansion
 - Unemployment Insurance Provisions
- Implications for the existing benefit programs
- Q and A

CARES Act Economic Impact Rebate

- \$1200 per qualifying adult
- \$500 per child under 17
- Must have social security number to qualify
 - Whole household disqualified if one spouse only has ITIN, except for military spouses
- Ineligible if can be claimed as dependent by someone else
- Based on 2019 tax return if filed
 - Based on 2018 return if 2019 hasn't been filed

Phases Out at Higher Income Levels



Source: "Coronavirus Aid, Relief, and Economic Security Act"

TAX FOUNDATION

@TaxFoundation

How to Receive the Economic Impact Rebate

- 2019 or 2018 filers will receive automatically
- *Breaking: Social Security recipients will receive automatically*
- [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) will have info for non-filers on how to file a 2019 tax return with filing status, number of dependents and direct deposit bank account information.
- Advance payment available through 2020

Payment Mechanisms

- Distribution will “begin in next three weeks”
- Will be automatically paid by direct deposit if account is provided on tax return.
 - IRS says “web based portal” will let you add info
 - Checks will be mailed if no direct deposit account is available
- Can also receive as credit on 2020 tax return next year

Interactions with Other Programs

- Like other tax refunds, not counted as income for means-tested benefits, and disregarded an asset for 12 months. ([26 U.S. Code § 6409](#))
- Can not be intercepted for past-due taxes, student loans, or UI overpayments, but can be intercepted for *child support payments* owed.

Emergency Paid Sick Leave

- 10 days (80 hours) of job protected paid sick leave for the when employee is unable to work (or telework) because:
 - They are subject to a mandated quarantine or isolation order;
 - They are experiencing symptoms of COVID-19 and are seeking a medical diagnosis;
 - They are caring for somebody who's subject to a quarantine/isolation order;
 - They are caring for a their child whose school or place of care is closed, or whose child care provider is unavailable;
 - They are experiencing a “substantially similar condition” as specified by HHS/DOL/Treasury

Emergency Paid Sick Leave

- Full wage replacement for self-care with maximum required benefit of \$511/day (total \$5110)
- 2/3 wage replacement if employees are caring for another individual or a child whose school has closed or whose child care provider is unavailable, with a maximum required benefit of \$200 a day (\$2000 total).
- Employers pay employees and can be reimbursed by federal government

Emergency Paid Sick Leave

Eligibility and Exemptions

- Local, state and some federal employees, self-employed, and private sectors workers for **employers** with less than 500 employees
- Covers full-time and part-time workers
- Employers of health care providers and emergency responders can opt out or be exempted by USDOL
- DOL can also exempt private employers with less than 50 employees from providing leave to care for a child whose school or place of care is closed, or whose child care provider is unavailable, if it harms their business

Emergency FMLA Expansion

- 12 weeks of paid family and medical leave only during this health emergency for employees unable to work (or telework) because:
 - They are caring for a child under 18 whose school or place of care is closed, or whose child care provider is unavailable;
- 2/3 wage replacement, however the first 10 days may be unpaid
- Employers pay employees and can be reimbursed by federal government
- Also excludes employers with 500 or more employees & majority of federal employees
- Allows DOL to exempt small businesses claiming hardship and certain health care providers and emergency responders

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COVID-19 Unemployment Benefits Primer

April 2, 2020

CARES Act/ Families First Coronavirus Response Act: UI Programs

“Families First” State Grants

- **\$1B State UI Administration Grants (feds pay 100% of the state administration of UI programs)**
- **First installment w/in 60 days, requires employer notice, multiple claims filing methods, plus report on steps take to improve “reciency rate”**
- **Second installment after UI claims rise 10%, requires state to show it has take steps to improve UI access, including waiving the waiting week, work search and non-charging employers for COVID-19 claims**

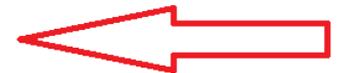
Pandemic Unemployment Assistance

- **Nationalized COVID-19 program (DUA Regs apply)**
- **39 weeks, retroactive to January 27th through 2020**
- **Benefits levels same as DUA (state law applies)**
- **Covers workers not eligible for UI, who “self certifies” unemployed for 11+ COVID-19 reasons.**
- **Broadly covers: “self employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for regular unemployment compensation.”**
- **Does not cover those who can telework with pay or are receiving paid sick or paid leave benefits.**
- **No waiver overpayment protections (bad DUA regs)**

Covered Conditions

Applicants will need to provide self-certification that they are (1) partially or fully unemployed, OR (2) unable and unavailable to work because of one of the following circumstances:

- They have been diagnosed with COVID-19 or have symptoms of it and are seeking diagnosis;
- A member of their household has been diagnosed with COVID-19;
- They are providing care for someone diagnosed with COVID-19;
- They are providing care for a child or other household member who can't attend school or work because it is closed due to COVID-19;
- They are quarantined or have been advised by a health care provider to self-quarantine;
- They were scheduled to start employment and do not have a job or cannot reach their place of employment as a result of a COVID-19 outbreak;
- They have become the breadwinner for a household because the head of household has died as a direct result of COVID-19;
- They had to quit their job as a direct result of COVID-19;
- Their place of employment is closed as a direct result of COVID-19; or
- They meet other criteria established by the Secretary of Labor.



Additional Programs

- Pandemic Unemployment Compensation (PUC):
 - \$600 boost in weekly benefits
 - Ends July 31st (hard cut off)
 - "Non-reduction rule" prevents cuts in state UI
 - Positive waiver overpayment protections
- Pandemic Emergency Unemployment Compensation (PEUC):
 - Available through 2020
 - 13 weeks for workers who exhaust state UI
 - Same benefit level as state UI
 - Positive overpayment waiver protections
- Full Federal Funding of Waiting Week

Common Questions

- **Do the states/Govs have to participate in “Families First” and CARES UI programs? A: No**
- **Are undocumented workers covered?
A: No, must be work authorized (e.g., DACA)**
- **Are workers eligible if they didn’t earn enough for UI or were seasonable workers? A: Yes**
- **Does everyone get the PUC \$600? A: Yes, even those on partial PUA or state UI.**
- **How long will it take for workers to get their unemployment checks? Normally 2-3 weeks, but will be much longer depending on the state and the nature of the claim.**

Tougher Questions

- **What about people not expressly covered by the PUA conditions, e.g., students and parents with children who were about to return to the labor market?**

A: Possibly, depending on DOL guidance.

- **If the state pays less than 26 weeks in regular UI, can the workers still get 39 weeks in total federal and state benefits?**

A: Yes, claim PUA after state UI and PEUC.

- **Should state policymakers still expand eligibility for UI or increase benefits since the new program covers people ineligible for UI and pays more in benefits?**

A: Yes, but it's tougher now.

Implementation Issues

- States were at record low staffing and funding levels, so now must staff up and process huge surge in claims.
- Flooded/crashing on-line and phone claims systems, plus other major IT challenges that have long existed.
- E.g., On-line systems require new PIN and passwords for all prior UI claimants, requiring phone assistance to reset.
- Limited multi-lingual and phone assistance if can't navigate the on-line claims process.
- *No standard, efficient, streamlined process to identify and process claims for people without reported wages.*

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